

The NATIONAL UNDERWRITER



GENERAL REINSURANCE GROUP

Largest American multiple line market
dealing exclusively in Reinsurance

GENERAL REINSURANCE CORPORATION

Financial Statement, December 31, 1952

ASSETS

Cash in Banks and Office	\$ 3,638,955.69	
Investments:		
United States Govern- ment Bonds	\$23,463,528.94	
Other Bonds	17,510,791.20	
North Star Reinsurance Corporation Stock	9,929,456.93	
Other Preferred Stocks	4,170,450.00	
Other Common Stocks	12,557,665.07	
Total		67,631,892.14
Premium Balances in Course of Collection (not over 90 days due)		1,304,278.44
Reinsurance Recoverable on Loss Pay- ments		27,040.51
Accrued Interest		237,167.35
Other Admitted Assets		762.34
Total Admitted Assets		\$72,840,096.47

LIABILITIES

Reserve for Claims and Claim Expenses .	\$31,544,877.00	
Reserve for Unearned Premiums	10,255,066.00	
Funds Held under Reinsurance Treaties .	2,625,211.93	
Reserve for Commissions, Taxes and Other Liabilities	1,850,328.05	
Capital	\$ 5,500,000.00	
Surplus	21,064,613.49	
Surplus to Policyholders		26,564,613.49
Total		\$72,840,096.47

Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners. If bonds and stocks owned, including those owned by affiliates, were valued at December 31, 1952 market quotations, Surplus to Policyholders would be \$26,469,810.64.

Securities carried at \$6,409,746.58 in the above statement are deposited as required by law.

**Casualty • Fidelity • Surety
Accident & Health**

NORTH STAR REINSURANCE CORPORATION

Financial Statement, December 31, 1952

ASSETS

Cash in Banks and Office	\$ 2,569,596.51	
Investments:		
United States Govern- ment Bonds	\$12,431,025.96	
Other Bonds	7,539,564.29	
Preferred Stocks	3,404,350.00	
Common Stocks	2,628,925.00	
Total		26,003,865.25
Premium Balances in Course of Collection (not over 90 days due)		1,881,913.16
Reinsurance Recoverable on Loss Pay- ments		346,748.16
Accrued Interest		88,862.51
Other Admitted Assets		307,678.53
Total Admitted Assets		\$31,198,664.12

LIABILITIES

Reserve for Claims and Claim Expenses .	\$ 2,717,454.00	
Reserve for Unearned Premiums	15,291,770.00	
Funds Held under Reinsurance Treaties .	99,883.45	
Reserve for Commissions, Taxes and Other Liabilities	3,128,401.24	
Capital	\$1,300,000.00	
Surplus	8,661,155.43	
Surplus to Policyholders		9,961,155.43
Total		\$31,198,664.12

Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners. If bonds and stocks owned were valued at December 31, 1952 market quotations, Surplus to Policyholders would be \$9,939,809.39.

Securities carried at \$666,522.15 in the above statement are deposited as required by law.

**Fire • Inland Marine
Ocean Marine**

Home Office: 90 JOHN ST., NEW YORK 38, NEW YORK
Midwestern Department: 1012 BALTIMORE BLDG., KANSAS CITY 5, MO.

THURSDAY, APRIL 30, 1953

5 OF A SERIES

The Path of a Good Agent



**He
Helps
When
Loss
Occurs**

The friendly hand he proffers, his assistance in fulfilling the necessary requirements in presenting claims and his always ready counsel combine to make the competent insurance agent a doubly valuable friend at time of loss. He is the vital link between insured and company . . . an important factor in speeding the company's check to its rightful destination.

The American Insurance Group is proud of its association with more than 10,000 local agents who help protect their communities against loss.

**He Provides Insurance to
Meet Individual Needs**

**He Surveys and Analyzes
His Clients' Needs**

He Helps Prevent Loss

He Helps When Loss Occurs

Another in the series of advertisements highlighting the most important and distinguishing qualities that determine a good insurance agent. This series is based on literature prepared by the National Association of Insurance Agents.

1846
The American Insurance Group
Newark, New Jersey

The American Insurance Co. • Bankers Indemnity Insurance Co. • The Jersey Fire Underwriters

The NATIONAL UNDERWRITER

57th, Year, No. 18
April 30, 1953

The National Newspaper of Fire and Casualty Insurance

Ohio Multiple Line Bill Again Is Put to Rest

Fred Jones and Organized Agents Win Day in Senate Committee

COLUMBUS—The Ohio senate insurance committee, by a vote of 5 to 4, defeated the fire multiple line bills. The measures had been supported, it is stated, by Ohio Farmers, Ohio Farm Bureau, Motorists Mutual, with reservations, and company organizations. It was opposed by the Buckeye Union companies and agents, the latter tacitly, if not openly. The companies said that the measure would reduce the costs of insurance through clerical accounts. Agents had been told that it would reduce commissions.

Ross Pepple, of Lima, chairman of the senate committee, is quoted as having said that he never again would head the senate insurance committee "if Fred Jones has three of his agents on it." Mr. Jones is head of the Buckeye Union companies.

Three insurance men on the committee voted against the bill. They are Ralph H. Humphrey, Ashtabula; T. V. Moorehead, Zanesville, and Ted Gray, Jr., of Piqua.

Pepple said recently that Mr. Jones had sent him \$50 for campaign expenses but that he returned it. He has asked for an investigation of campaign contributions to candidates from insurance interests.

Ohio remains as the one important state that does not have multiple line legislation. The only other state that does not have it is Arizona. There are a number of insurance groups that would simplify their corporate setup if it were not for the impediment of Ohio. Any change now will have to wait for another two years.

In Arizona the multiple line legislation was an innocent victim of the fight between the organized life insurance agents in the state and the domestic life insurance benefit associations.

Pa. Senate Passes Public Adjusters Bill, Kills Department Merger Plan

The Pennsylvania senate by a vote of 48 to 0 has passed the bill prohibiting fee splitting by public adjusters and banning public adjusters from having an interest in agencies or brokerage businesses. A section of the bill that would have prohibited solicitation of adjustments or investigation of claims between 6 p.m. and 8 a.m. was stricken from the bill in the insurance committee.

The senate has rejected a proposal to merge the insurance department with the banking department under the plan of the "Little Hoover" committee. An economy survey group had said this would have brought a saving of \$160,000 per biennium.

Canadian Agents Are Making Court Fight on 5-Point Reduction in Auto Commissions

Ontario Assn. of Insurance Agents is spear-heading a legal fight on the companies for the program just put into effect reducing automobile insurance commissions. The reduction in commission was from 20% to 15% on private passenger cars. In Quebec province the commissions had been 17½% and the new scale is 15%. The

agents are contending that the companies are violating the anti-combine law of the dominion. The action is against Canadian Underwriters Assn. and Dominion Board. The companies have employed counsel at Ottawa and they feel confident that they are on firm ground.

Chicago Insurance Day Again Is Highly Successful

Chicago Insurance Day, the city's educational climax in point of numbers, set a new attendance record with more than 1900 turning out for a program designed for the various segments of the producer ranks.

Sponsored by the Chicago Board, the day's fare broke into two concurrent sessions after an address by Eugene F. Gallagher, Chicago manager of Planet. One session featured a review of the Illinois legislative situation by Edward J. Dirksen, executive manager of Illinois Assn. of Insurance Agents and legislative representatives of the Chicago Board, a discussion of the home owners policies A and B by Roy C. McCullough, manager Empiro, and an automobile panel moderated by James C. O'Connor, executive editor of the Fire, Casualty & Surety Bulletins. Panel participants were Roy L. Davis, mid-west manager of Assn. of Casualty & Surety Companies; John J. Hart, secretary of Travelers, and William H. Brewster, National Bureau of Casualty Underwriters.

Speakers and their subjects at the other sessions were: Sheldon E. Berkson, president of First Appraisal Co., "Fire Insurance Appraisals"; Frank V. McCullough, assistant secretary of Continental Casualty, "Filling the Gaps in Employee Benefit Programs"; and Allen C. Guy, regional supervisor of Western Adjustment at Columbus, O., "Business Interruption Adjustments Make Good Public Relations".

Greeting were extended at the banquet by Robert E. Barrett in his first official Chicago appearance as the new Illinois insurance director. He was introduced by Nels A. Ulseth of Bronson-Dennehy-Ulseth, who was chairman of the I-Day committee. Professional entertainment followed the banquet ad-

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Ashby Taylor Goes to Coast as V.P. of American Auto

Ashby C. Taylor, one of the best known surety figures in the country, has resigned as 2nd vice-president of Fidelity & Deposit to become vice-president of American Automobile in charge of the Pacific Coast bond department at San Francisco. He will be at the St. Louis head office for a few weeks and then go on to the coast



Ashby Taylor

about June 1. Mr. Taylor has been in the business more than 30 years and started with F. & D. in Atlanta in 1928. Four years later he became manager there. Later he was assistant manager of the head office agency department, then resident vice-president at Detroit, manager of the New York City branch, and he has been vice-president since 1950. He is a former vice-president of Surety Underwriters Assn. of New York, and of the board of Casualty & Surety Clubs of New York and Baltimore, and a past president of Casualty & Surety Executives Assn. of Detroit.

F.&D. Chicago Reception

Fidelity & Deposit had an open house Monday in its handsome new Chicago quarters in the Board of Trade building with Julian Neal and William Bowersox, the joint managers, presiding over the hospitality brigade. On from the head office were J. Harry Schisler, 1st vice-president, and Donald L. Buckler, vice-president. The most effervescent of the greeters was Joseph L. Burke, F. & D. field man for northern Indiana and central Illinois, who had just acquired that morning his first child and daughter. She was born at Henrotin hospital, Chicago and has been named Denise.

Agents Still Fear Fund, Politics in Auto Rate-Making

N. Y. Mutual Group Hears Answer to Deputy's Speech

At the convention in Syracuse of Mutual Agents Assn. of New York, Roderick L. Geer, executive secretary, clarified the association's position with respect to the attitude and activity of its members in connection with the compulsory automobile legislation, which lost in the last session of the legislature.

His remarks followed a talk by Joseph F. Murphy, deputy superintendent. Mr. Murphy said that mandatory insurance will not affect the agents' commission scale and that agents need not fear politics in rate making nor the initiation of a state fund to write auto liability insurance. He contended that mandatory insurance is simple, direct and the most inexpensive method of solving the uninsured driver problem, and termed the unsatisfied judgment legislation a cumbersome program of doubtful legality. Mr. Murphy's remarks along this line were termed "unexpected" by the association.

Earl A. Lamp of New York City was elected president; John C. Parsons of Syracuse, first vice-president; Eugene Wright of Valley Stream, 2nd vice president; J. Lewis Dumond, Cobleskill, secretary, and Norris H. Dann, treasurer.

Mr. Geer quoted from the insurance department's report on the problem of the uninsured motorist: "A compulsory form of insurance, which continues to be written through private insurance carriers, may stimulate public pressure for some form of state insurance enterprise." Also, "The Massachusetts experience seems to indicate the fear of politics in the rate making process is well founded."

Mr. Geer denied the association had made reduction of commissions a reason for opposing compulsory. At three recent regional meetings, Ward L. Howard, Gouverneur, a director of the association, suggested concessions by agents on commissions as a means of meeting direct writer competition. This cannot be interpreted as a rabid fear of commission reduction, Mr. Geer declared.

The principle and legality of UJF legislation was attacked during the legislative session, but, Mr. Geer pointed out, it was the insurance department which sponsored the assigned case plan bill. That merely changed the name and not the principle. Mr. Geer admonished Mr. Murphy for omitting any reference to the ACP, a bill purportedly a part of the administration's package in the 1953 legislature.

The association adopted a resolution stating that it does not believe compulsory auto is the true solution to the

(CONTINUED ON PAGE 23)

Late News Bulletins . . .

R. I. Agents Make Strong Fight for Bill

Rhode Island Assn. of Insurance Agents has hired W. B. Sweeney, Providence lawyer and former state senator, to further its efforts to get the legislature to pass bills to prevent auto dealers and finance companies from selling auto insurance.

Foster Sanford Heads N. Y. State Brokers

G. Foster Sanford, Jr., president of Smyth, Sanford & Gerard, has been elected president of Insurance Brokers Assn. of New York State. Walter J. Hill and Edmund T. Sinnott are vice-presidents, S. Stanley Gray, treasurer and

(CONTINUED ON PAGE 24)

N.A.I.A. Study of Self and No Insurance on Towns and States

National Assn. of Insurance Agents has brought out, coincidentally with the midyear meeting of state national directors in Hollywood Beach, Fla., this week, a study of municipal and state self-insurance funds. The study, which relates the story of the fire that did \$5 million damage to the Michigan capitol building, damage that was largely uninsured, and other so-called self-insurance funds, was made following a directive from the executive committee, concurred in by state directors.

George S. Hanson, associate counsel of N.A.I.A., did the study under the directors in Hollywood Beach, Fla., this year's committee, of which Dave R. McKown of Oklahoma City is chairman. Mr. Hanson spent months analyzing existing data on such funds and developing case histories of past and present plans. He was assisted by many state association secretaries and managers.

The Michigan loss was virtually uninsured though the state had had an insurance fund since 1913 which had been held up as a model for other states to follow. It was one of the oldest and most efficiently managed funds in the U. S. Yet all it paid was \$175,000 for moving and temporary quarters. The remaining cost of returning the building of operation was supplied by a special session of the legislature.

The study shows that in the overwhelming majority of cases self-insurance has proved to be no-insurance. Case after case demonstrates that states and municipalities, seeking to save insurance premiums, have set up self-insurance funds totally incapable of providing adequate protection.

Wisconsin, for instance, has assets of more than \$7,250,000 in its self-insurance fund. That may sound like a lot of money, but the fund is supposed to cover property with an estimated value of more than \$250 million. The insurance laws of Wisconsin, as in many other states concerned with self-insurance funds, contain strict requirements for private insurers which limit any single risk assumed by any insurer not to exceed 10% of admitted assets.

Opponents of so-called self insurance plans, the N.A.I.A. study points out, assert that they provide no guarantee that insurance costs would be reduced since the limited operations of self-insurance funds could not expect to realize the competitive economies of the vast insurance companies.

It is also noted that a self-insurance fund confined to a state or municipality lacks a proper number and spread of risks in order to protect the fund against large or shock losses. There is no more reason for a state government to enter the insurance business than any other properly conducted business, the study declares. It emphasizes that public officials need not be embarrassed in deciding which of several competing companies should write their policies, explaining that this can readily be resolved through agents' associations and other comparable alternative methods.

Among other dangers faced by government bodies when such insurance

FUNDERBURK TO CROP POST

Mutual Leader of Atlanta Acting FCIC Manager

C. B. FunderBurk, who has long been a leader in the farm mutual field and who is manager of Cotton States Mutual of Atlanta, has been named acting manager of Federal Crop Insurance Corp. He takes the place of John W. Brainard of Minnesota. He is 54. He attended Georgia Tech and was with Alabama Farm Bureau. Then he was with American Cotton Cooperative Assn. at New Orleans. He has been treasurer of Cotton Producers Assn. of Atlanta since 1933 and manager of Cotton States Mutual since 1944. He is a director of National Assn. of Mutual Insurance Companies.

At the recent mid-year meeting of National Assn. of Mutual Insurance Companies at Chicago during a discussion of crop insurance, it was mentioned that Mr. FunderBurk's company had made a study of the possibility of engaging in crop insurance with reinsurance to be placed with FCIC under the law. However, it was said that this company concluded that it was not a practical enterprise for a private insurer. For one thing, reinsurance can be granted under the law only for an operation embracing not to exceed 20 counties and also there seems to be no way a private insurer could recover its acquisition costs from the reinsurer.

Give Rundown on W. C. Legislation

Bills liberalizing the benefit provisions of workmen's compensation laws have been enacted thus far this year by Colorado, Idaho, Indiana, Kansas, Montana, Nevada, North Dakota, South Carolina, South Dakota, Tennessee, West Virginia and Wyoming.

Similar proposals are pending in many other states, including Connecticut, Delaware, Florida, Iowa, Maine, Massachusetts, Minnesota, Nebraska, New Hampshire, New Jersey, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Vermont and Wisconsin.

States in which proposals for increased workmen's compensation benefits have been rejected thus far include California, Maryland, Michigan, New Mexico, New York, North Carolina, Utah and Washington.

Bills to broaden the coverage of the laws have been enacted in Colorado, Kansas and Nevada, are pending in Delaware and Vermont, and were rejected in Idaho, New York, Utah and Wyoming.

Proposals for the establishment of new monopolistic state workmen's compensation funds have been raised without success in several states, including Iowa, Massachusetts, Rhode Island and Utah. State insurance funds for workmen's compensation now are operated by 18 states, of which seven are monopolies and 11 are competitive with private carriers.

A bill enacted in Nevada removed the labor commissioner from the state industrial commission, and empowered the governor to appoint three members, representing labor, industry and the public. Under the bill, the public member is to be chairman and he must have five years of experience as an insurance actuary, and a master's degree in business administration or its equivalent.

NO. 4 IN FERGUSON GROUP

Insurors Indemnity Goes Under Wing of Ft. Worth Interests

Insurors Indemnity & Insurance that has been in the portfolio of Chicago Corp. for several years has now been bought by J. M. Ferguson, Jr., and associates of Fort Worth. This group owns and operates Houston Fire & Casualty. General of Fort Worth and Associated Employers Lloyds.

Subsequently Mr. Ferguson was elected board chairman of Insurors Indemnity and J. E. Chenault, who is Mr. Ferguson's financial man, was elected assistant secretary and assistant treasurer. Richard Carlidge, who is an officer of Chicago Corp. and who was vice-president of Insurors Indemnity, resigned the latter post. Incidentally he is a son of H. T. Carlidge, the famed retired deputy U. S. manager of Royal-Liverpool.

Parke Davis is the president of Insurors Indemnity and T. G. Miles is the secretary. They have been the principal operating officers. Chicago Corp. disclosed that the company was sold for \$1,026,000. At Dec. 31, 1952, the assets were \$2,591,000, capital \$500,000, net surplus \$363,000, premium reserve \$981,000, claim reserve \$590,000, loss adjustment reserve \$108,000. Premiums earned were \$2,516,000, and losses incurred \$1,382,000. The total underwriting deduction was \$2,598,000.

Chicago Corp. acquired Insurors Indemnity in connection with its acquisition a few years ago of Loffland Bros. Co. of Oklahoma, the drilling contractors. Loffland Bros. owned Insurors Indemnity. At that time the Chicago Corp. acquired one-half of Loffland Bros. and one-half the stock of Insurors Indemnity. Mid-Continent Supply Co. of Fort Worth acquired the other half. Then two years ago there was a swap and Chicago Corp. sold its interest in Loffland Bros. to Mid-Continent, and Mid-Continent sold its interest in Insurors Indemnity to Chicago Corp.

Chicago Corp. has had Insurors Indemnity on the market for some time because this type of investment was foreign to the nature of its operations.

Agent Sells \$25,000 Auto P.D.L., More M. P.

An agent was discussing the other day the need of selling \$25,000 property damage liability in the automobile policy. He is convinced that it is risky for his insured to go driving about town or country in these times with any less protection. Some private passenger cars cost more than \$5,000, but the illustration of the need of this much cover that he uses is this:

"Suppose you ran into a trailer truck, it is your fault, and the vehicle turns over and burns. Any good trailer truck today costs \$20,000 and this is not counting anything for the value of the load." Most of his insured are taking the additional protection.

The agent, who does not operate in a large metropolitan center, also is asking his insured to accept an increase in medical payments from \$500 to \$1,000, and so far 96% of insured have taken it. Here he cites the story of a comparatively minor accident in which five of six persons driving in a car were injured, resulting in the payment of bills for each of the five by the M. P. cover.

Charts Prospects for Time Element Covers

H. C. Klein, secretary of New York Underwriters, makes talks on time element forms from time to time, but always manages to come up with fresh sales and underwriting approaches to add to his basic material. This was the case in a talk he gave at the time element forum in Camden, N. J., sponsored by Camden County Agents Assn., New Jersey Field Club and the South Jersey chapter of C.P.C.U.

For this one he prepared a chart showing applications of time element forms to prospective buyers, some or all of which the average agent would find in his own town. Copies of the chart, which lists 21 classes of prospects, were distributed to agents attending the forum.

Practically everyone is a prospect for some form of time element insurance: owners of tenant buildings, owners of owner occupied buildings, tenants of apartments and dwellings, tenants of business buildings, merchants, manufacturers, hotels, restaurants and theaters, newspapers, bottlers, cleaners, laundries and dairies, doctors and dentists, clubs and lodges, hospitals, public utility plants, private schools and camps, public schools, banks, offices, municipal buildings, churches, selling agents and managers. He includes seven notes in his chart to denote variations called for by differences in situations, e.g., if the building owner occupies for business purposes, carry business interruption insurance in preference to rental value.

Mr. Klein believes that U. & O. is fundamental protection and not a sideline, and he finds many ways to hammer home this point. For example, in a list of merchant prospects he places sole proprietor mercantiles first because to a sole proprietor take home earnings are in most cases the sold support of his family, maintenance of his home, education of his children and the only funds for payment of property taxes interest on indebtedness, life and accident insurance premiums and recreation. His business earnings determine the living standard of his family and for him business interruption cover is practically living standard insurance.

Again, municipalities and churches are excellent prospects for extra expense insurance, since both operate under budgets which rarely provide sufficient appropriations for unforeseen emergencies. While municipalities can recoup through taxation the extra expense incurred to carry on the operations of a destroyed town hall, fire station or recreation center, taxpayers will appreciate the assistance of the extra expense coverage purchased because of the foresight of municipal authorities. Church trustees operating under budgets that barely provide for normal operating expenses will wisely purchase extra expense insurance and merit the applause of their congregations relieved of contributing the extra expense necessitated by continuing church services in temporary quarters.

Agents should not only sell extra expense but should buy it for their own offices.

On several occasions he noted, a field man and agent have been soliciting a merchant for U. & O. when the merchant turned to the agent and asked, "Do you carry this form of insurance?" Needless to say, the agent has purchased it on his return to his own office. Besides, he really needs the protection.

Expect Fight on Ky. Order Outlawing M.L. Rating Plans

Great Amounts of Cover at Stake in Whisky and Tobacco

Commissioner Goebel of Kentucky has rescinded the multiple rating plans that have been approved in the state since May 31, 1951, and he has ordered that these be discontinued on May 21. Hearings were held last fall on complaint of Kentucky Assn. of Insurance Agents. This ruling outlaws the plan that was known originally as the Escott plan and then got to be known as the MLSO plan, and that is now referred to as the bureau plan because this is the official filing of Kentucky Rating Bureau, and also it knocks out the so-called independent plan that was filed as a deviation, and it also is known as the NISAO plan. What MLSO and NISAO will do is uncertain but there are avenues of appeal and so it is assumed that the effective date of the rescinding order can be put ahead. The only other state in W.A.B. territory in which these plans are not approved is Missouri. Outside of the middle west they are not permitted in Washington, Texas or Alabama.

Brokers, it is said, are hustling to cancel and rewrite the whisky and tobacco business for five years, in the 30 days before the Goebel order becomes effective.

The local agents who brought the complaint originally, it is understood, were activated mainly because there was quite a bit of switching of tobacco and whisky business from intrastate to multiple location plans when these programs were approved. Many of these lines were handled on an interstate basis in the I.U.B. days, but after I.U.B.'s demise, they were switched to intrastate handling. There are differences in both rate and commission involved.

The gist of Mr. Goebel's opinion is that there is no difference in fact between a multiple location risk and a single location risk and hence all of the credits that are given to multiple location risks are not available to a single location risk are unfairly discriminatory. The credits that he mentions in his ruling include those for size of premium, for insurance to full value, for dispersal of risks, for favorable loss experience. He also contends that the surcharge provision in case of unfavorable loss experience doesn't cancel out the unfair discrimination in respect to credit allowable for good experience, because the insured may withdraw from the plan if faced with a surcharge. Also, he claims that fictitious locations can be inserted to make a risk eligible.

MLSO and NISAO can ask the commissioner for a rehearing or they can take the matter into the courts. Decisions undoubtedly will be made within the next week on what will be done.

It is assumed the company organizations will exert themselves to the fullest extent to keep their plans in force. There is a great deal of whisky and tobacco values at stake, and some believe that without the plans they have been using the business will

largely go to Lloyds or other types of insurers. Presumably they could still use form A, but this is not regarded as a solution to the situation they would be in, competitively, if forms 1 and 5 were barred.

There has been in the last couple of years a big swing from specific insurance on whisky and tobacco, particularly whisky, from specific insurance to forms 1 and 5. In the process, the business has shifted about. More of it is now handled out of the big metropolitan centers and less of it by way of local agents.

Adopt Liberalization Clause in New England

New England Fire Insurance Rating Assn. has adopted a liberalization clause which gives insured under existing policies the benefit of any changes made during the term of coverage. The company agrees to read any extensions or broadening features into existing contracts, provided no extra premium is chargeable for the new features.

The new clause will be printed in all

forms. Its wording is identical with that now in use in New York. The same clause was also adopted recently in West Virginia.

U.S.F.&G. Managers Confer

U.S.F.&G. has been holding a conference of its branch managers this week at the Edgewater Beach hotel, Chicago. Among those present from the home office were Vice-presidents W. E. Pullen and C. B. Gamble.

Sioux Falls Insurance Women at their April meeting heard a talk by Peer Gerisch, a German exchange student, who gave a resume of his impressions of America.

PROOF

of the Year-After-Year Dependability of
ADT Protection is Presented in These
Remarkable Performance-Record Figures

Efficiency of ADT Central Station
Protection Services in establishing a high
degree of immunity against fire, burglary
and other hazards is reflected in the
accompanying performance record for 1952
and for the past ten years.

These figures present convincing evidence of
the outstanding effectiveness of ADT Protection
in minimizing losses and consequently giving greater
assurance of uninterrupted business operations.

Such performance is made possible through
round-the-clock supervision, regular inspections
and tests and complete maintenance of ADT
protective systems by specially trained personnel.

These vitally important factors are a
standard part of ADT Service. They are the
features which give ADT its all-important
plus value in the protection of life and property.

Let us tell you how ADT Services
can be applied to give
better protection at lower cost.

WATCHMAN'S REPORTING AND MANUAL FIRE ALARM SERVICE

Investigations of failures of watchmen to signal	
Central Station on schedule	214,472
Total number of signals recorded	329,640,416
Watchmen's patrol efficiency	99 93/100ths %
Alarms from Manual Fire Alarm Boxes	1,390
Insurable values of properties protected	\$18,641,990,000
Ratio of losses to insurable values protected	5/100ths of 1%
Fire loss immunity in 1952	99 95/100 %

AVERAGE FIRE LOSS IMMUNITY
DURING THE PAST TEN YEARS 99 95/100 %

SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Supervisory alarms, indicating temporary impairment of sprinkler systems	179,901
Waterflow alarms, caused by fires or serious leaks	3,044
Manual fire alarms	162
Insurable values of properties protected	\$13,246,349,000
Ratio of losses to insurable values protected	2/100ths of 1%
Fire loss immunity in 1952	99 98/100 %

AVERAGE FIRE LOSS IMMUNITY
DURING THE PAST TEN YEARS 99 97/100 %

1952

BURGLAR AND HOLDUP ALARM SERVICES

Attacks on ADT Protection	2,144
Entrances effected	1,221
Captures as result of burglar, holdup and other emergency alarms	735
Insurable values of properties protected	\$3,092,058,000*
Ratio of losses to insurable values protected	1/100th of 1%
Burglary loss immunity in 1952	99 99/100 %

AVERAGE BURGLARY LOSS IMMUNITY
DURING THE PAST TEN YEARS 99 99/100 %

*Not including ADT-protected values in bank vaults, the U.S. Treasury, Federal Reserve Banks and branches, the U.S. Mints and the U.S. Bullion Depositories at Fort Knox, Ky., and West Point, N. Y.

ADT

Controlled Companies of

AMERICAN DISTRICT TELEGRAPH COMPANY
155 Sixth Avenue, New York 13, N. Y.
CENTRAL STATIONS IN PRINCIPAL CITIES

R.H. Swisher Is New President of Ohio Mutual Agents Body

By B. P. McMACKIN

R. H. Swisher of Springfield was elected president of Ohio Assn. of Mutual Insurance Agents at the two-day convention at Columbus with 300 attending.

The new vice-president is W. D. Yackee of Napoleon. Mrs. Mina M. Clark of Bucyrus, continues as secretary.

Mr. Swisher was with Guarantee Mutual of Springfield 25 years before joining Guarantee Mutual Insurance Agency, of which he is vice-president. He succeeds H. K. Brookhart, Columbus.

A discussion of Ohio's assigned risk plan was presented by its manager, R. H. Miller of Columbus.

W. H. Rodda, secretary of Transportation Insurance Rating Bureau, Chicago, discussed the sales potentialities of inland marine, which, he said, have not begun to be realized. Many insured who now carry only fire and E. C., he said, are ripe prospects for the householders protective floater, a "junior" PPF, which provides named perils cover instead of all risks protection, but may be written at values as low as \$1,000. Also this policy is written only by mutuals. There is a \$25 deductible.

B. G. Sager, Cleveland, analyzed agency operations which he claims come dangerously close to unlicensed law practice. The law, he said, apparently permits an agent to intercept contracts for a customer before any loss occurs, but advice concerning the client's rights, if given after a loss, is an attorney's function. Mr. Sager is a member of the Ohio bar and a past president of National Assn. of Mutual Insurance Agents. He said insurance lawyers feel that many of the actions taken by nearly every agent are permitted more by sufferance than by right. Advising a client how to collect damages from another party is strictly taboo at law, he said, but there is probably nothing illegal about asking other parties or their counsel to speed up settlements with clients.

B. W. Phelan, Versailles, deplored

the fact that assessment mutuals wrote more than half of the fire insurance on farms in Ohio during the past year. He said the defeatist attitude toward farm lines, which was prevalent in the depression years, has never completely died out. This is unrealistic, he said, what with farm subsidies and healthy agricultural marketing conditions.

A. C. Guy, Columbus, regional manager of Western Adjustment, told the convention that nearly all adjustments are handled to the complete satisfaction of company, agent and insured. But the adjustments which are remembered longest are those which are necessarily hard on the insured because somebody along the line has failed to see that existing coverage is adequate and properly written. Among some horrible examples offered by Mr. Guy was a business interruption loss involving a large automotive concern, which amounted to more than \$500,000 and was settled for less than \$60,000 because of the operation of the coinsurance clause.

Accorded honors was A. M. O'Connell, Cincinnati, chairman of the legislative committee of Ohio Assn. of Insurance Agents and of the property insurance committee of National Assn. of Insurance Agents. Mr. O'Connell was praised for his work in behalf of Ohio insurance men. W. C. Finney, Newark, received the thanks of the association for his years of public relations work on behalf of mutual interests.

Convention chairman was H. P. Young of Columbus.

Superintendent Robinson of Ohio was there as was J. H. Kroll of Washington, president of N.A.M.I.A.

A. L. Minzey, agency superintendent of Auto-Owners in his talk said the practice of permitting agents to pay account balances within 45 or 60 days encourages the agent to grant the same extensions to insured and this is ultimately harmful and costly. If companies would require payment at inception of a policy, they would be doing an automatic favor for agents, for they would force them to collect when the sale is made.

M. L. Pearce of Fremont introduced Mr. Phelan and Mr. Minzey was presented by R. J. Warner of Arcanum. G. M. Schnurrenberger of Youngstown, presented Mr. Sager.

Agents, Legislators To Mix at Midyear Wisconsin Meeting

As has been the custom during legislative years, the midyear meeting of Wisconsin Assn. of Insurance Agents will be held in Madison May 14, in the Loraine Hotel. The session will get under way at 10 o'clock with a program designed to better acquaint individual agency members with state legislative processes and legislators.

The association will be host to state officials and legislators at a noon luncheon. Speakers will include Gov. Kohler, Warren P. Knowles, senate majority floor leader, and Mark Catlin, Jr., assembly majority floor leader.

Also on the program will be Urban Krier, former executive secretary, who recently resigned to become assistant manager of the Milwaukee branch office of U. S. F. & G., and Paul H. Mast, succeeding executive secretary.

A panel on "Local Board Activities" will be conducted by members of the Racine Insurance Board, with Kenneth Killberg, board president and W.A.I.A. accident prevention committee chairman, as moderator. The panel will present ideas in connection with accident prevention, legislation, fire prevention, city and county insurance business, publicity and local board programs at Racine.

Combined Names Fernitz as Underwriting Manager

Victor Fernitz, chief underwriter of Combined of Chicago, has been promoted to manager of the underwriting department. Mr. Fernitz joined Combined in 1948, advancing through the underwriting department and becoming chief underwriter in four years.

SILHAVY D. C. MANAGER

WASHINGTON—Charles R. Silhavy has been named manager at Washington for National Union, succeeding R. W. Eastman, who resigned to open his own brokerage office in Virginia. Charles Jaecks continues as assistant manager.

Business Interruption Seminar

Participants in a business interruption seminar, to be held at San

Antonio June 3, will be George J. Henry, state agent, Royal-Liverpool group; Walter Boston, Dallas, General Adjustment Bureau; Joe Vincent, local agent, Bryan, Texas; and Carlos Coon, Browning, Coon, French & White agency, San Antonio, moderator.

W. C. Spradlin, G. H. Brussel Named by Spradlin Agency

William C. Spradlin has been named president of the Milton M. Spradlin managing general agency of Tampa, and George H. Brussel has joined the firm as vice-president and secretary.

Mr. Brussel has been with Brundick & Boles general agency at Jacksonville since 1946 and before that for many years was with North British at the home office and in the southeastern department as inland marine superintendent.

W. C. Spradlin has been with the agency since 1940 when it was founded.

Malmgren of J. & H. Retires, Jervis Is Successor

Edward G. Malmgren has retired as secretary-treasurer of Johnson & Higgins of Illinois and was honored by associates at a dinner at Chicago. Mr. Malmgren was with the organization for 35 years, all at Chicago.

Mr. Malmgren's duties are being assumed by C. A. Jervis who has been with J. & H. in Chicago for six months.

Reports War Risk Measure

WASHINGTON—The House banking committee ordered favorably reported without amendment a bill to authorize Export-Import Bank to utilize up to \$100 million of its existing lending authority to provide war risk insurance to U. S. exporters of American-owned products to friendly foreign countries. Marine insurance interests had suggested elimination of authority to provide such insurance on goods in transit, on the ground that such could be covered commercially at reasonable rates, at present, and that in event of great emergency the government's present war risk program could apply.

Motorists Mutual to Build

Motorists Mutual of Columbus, O., will erect a \$450,000 addition to its home office building at 471 East Broad street. This will be a three-story structure, which the company hopes to have completed by December in time for its 25th anniversary.

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Smith Named Officer For U. S. Branch, Northern Assurance

Northern Assurance group of London, Eng., has appointed John F. Smith secretary-treasurer of the U. S. branch, effective May 1. Mr. Smith joined Northern Assurance in 1920 as account checker and in 1937 was named chief accountant. He is secretary of American Marine & General Ins. Co., a member of the Northern group.

U. S. manager of the group is Earl D. Patton.

Franzen Heads Steering Group of Ark. Bureau

Frank W. Franzen, vice-president of Firemen's, was elected chairman of the executive committee at the annual meeting of Arkansas Inspection & Rating Bureau at Little Rock. He succeeds Harry W. Miller of Commercial Union.



F. W. Franzen

W. Ross McCain, Jr., state agent of Phoenix of Hartford, is the newly appointed chairman of the advisory committee. This consists of residents of Little Rock who are field men and general agents. Thomas H. Bramhall of Aetna Fire is vice-chairman. The previous chairman was Sam P. Raines of Coates & Raines, and vice-chairman was W. R. Smith of W. R. Smith & Co. Both of them remain on the committee.

Other members of the executive committee are R. M. Anderson of National Fire; Philip S. Beebe of Hartford Fire; Walter R. Ewald of Great American; J. H. Hines of Crum & Forster; Louis P. Jervey, America Fore; Joseph T. Malone, Travelers Fire; H. W. Miller, Roger B. Shepard, Jr., St. Paul F. & M.; H. C. Tate, Aetna Fire, and B. F. Weaver, Royal-Liverpool.

Fla. Mutual Agents Meet

Approximately 200 agents and home officials gathered at St. Petersburg, Fla., for the convention of Florida Assn. of Mutual Insurance Agents.

Among speakers were Earl Bennett, general agent at Tampa for Provident L. & A. and a director of International Assn. of A. & H. Underwriters; Carl Wiborg, Lumbermans Mutual; Paul Dubuc, Shelby Mutual; R. J. Foster, Florida Inspection & Rating Bureau, and Phil Baldwin, executive secretary, National Assn. of Mutual Insurance Agents.

Also present was Florida Commissioner J. Edwin Larson.

President of the Florida association is J. Frank Copeland, Tampa; George McKeiver, Miami, is vice-president, and John E. Gray, Jr., Ocala, is secretary-treasurer.

Program for Okla. Agents

A program of panel discussions and addresses has been arranged for the annual convention of Oklahoma Assn. of Insurance Agents, May 22-23 at Oklahoma City.

Highlights will include a forum on rates, rules and forms conducted by personnel of the state audit bureau and a panel on inland marine insurance. Individual speakers will be Walter H. Bennett, general counsel of National Association of Insurance Agents; J. Dewey Dorsett, manager of

Assn. of Casualty & Surety Companies, and Richard E. Farrer, secretary of National of Hartford group.

Planned for the "Small Town Rural Agents" breakfast is a public relations program with Hoyt Whitney, Sunbury, O., agent, as main speaker.

Jackson Talk Preserved

American has made available in pamphlet form the address that was delivered by Harold P. Jackson, president of Bankers Indemnity, Feb. 9 at the annual roundup of field men of the group at Newark. "The Impact of Special and Economic Pressures on Automobile Underwriting" is the topic.

Mr. Jackson has long been a leader in the field of accident prevention and he has made a continuing study of the social aspects of automobile insurance. The paper constitutes worthwhile reference material.

Ill. Bureau Rally Is Planned

The annual meeting of members and subscribers of Illinois Bureau of Casualty Insurers is to be held at Springfield May 26-27. There will be a meeting the afternoon of May 26 followed by cocktails and then the next day there will be golf and other sports at Oak Crest Country Club, followed by a banquet.

Vose Agency Expands

Walter H. Scholefield who was with National Surety and Travelers at Detroit for many years and Richard H. Fairchild, who has been with Travelers since 1936, have joined the C. R. Vose Agency of Detroit, of which J. J. Goncz is manager.

Springfield Assn. of Insurance Agents will hold its annual field day and golf outing June 3 at the Oakcrest Country club, Springfield. A luncheon will be served and prizes awarded for attendance and golf.

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Inquiries to BBBs Increase, Notably In Fire-Casualty

Better business bureaus handled some 90,000 insurance inquiries in 1952, 10% more than in 1951. There was a marked increase in calls relating to fire and casualty problems and slight increase in A. & H. inquiries. Some 9,000 of the calls dealt with complaints, according to Jasper W. Rowland, industry relations director of Assn. of Better Business Bureaus.

In order to service these calls adequately, the association is seeking a \$200,000 insurance fund. This fund will support development of a national standardized report about insurance to coordinate the information available to the local bureaus. It will guide the bureaus in handling insurance calls.

Insurance calls represent 5.6% of the bureau load; 0.76% of the bureau's business activities are supported by insurance contributions. For example, in Des Moines some 2,000 calls are handled each year. The average cost per call is \$2.50. The Des Moines bureau spent \$5,000 on insurance calls but received less than half of this sum from insurance company contributions.

The association believes it is doing a public relations job for the insurance business. More than 50% of the complaints made to the bureaus are unfounded. These result from misunderstandings which are easily cleared up by factual explanation by local bureaus. "Every case cleared up by the Better Business Bureau represents one more doubt or suspicion based on personal experience that will not become a subject of conversation critical of insurance", Mr. Rowland says. One case involved the cancellation of a liability policy. The complainant wanted to find out why the company didn't explain the reason for cancelling. The bureau told him the company is not obligated to disclose the reason.

Mr. Rowland says the major demand upon the bureaus consists of calls from prospective policyholders about the reliability and reputation of individual companies. Large scale promotions, competitive statements and rumors are still the basic causes for people consulting the bureaus.

Many calls fall outside the bureau's field. Such things as a controversy over damage to a car, where the plaintiff cannot get insured to admit that he hit the car hard, are included. Another type of complaint not considered within bureau's province is where the wife of an agent on strike complained about the advertising of the company. It might be said the bureau is deaf to such matters. Its services fall in other areas.

Sample cases show the character of complaints. When a policyholder cancelled a casualty policy because of dissatisfaction over a claim payment, the agent threatened to blackball her with other companies. When she complained to the bureau, it notified the company.

One policyholder with a \$50 deductible collision policy hit two objects in what he asserted was one accident. The adjuster, however, told him two deductibles of \$50 each, or \$100 would apply. The bureau brought the matter to the attention of the insurer and the claim was settled in three days on a single \$50 deductible basis.

Grant Mutual is the name of a newly incorporated insurer at St. Louis.



Ever try to break a habit? Then you know what a tough job it is. That's why a lot of people have automobile accidents. They have gradually developed bad driving habits which now control them—habits such as speeding, taking unnecessary chances in passing, straddling the center-stripe, pulling away from the curb without looking.

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Whittaker Hits at 'Reverse Coinsurance' in Major Medical

Superimposing a major medical expense plan on regular hospitalization coverage so as to result in duplication of benefits or "coinsurance in reverse" is inconsistent with the coinsurance principle, E. B. Whittaker, vice-president of Prudential, told the A. & H. Assn. of Philadelphia.



E. B. Whittaker

Integration with existing base coverages adds to the complexity of the sale and "it is much easier to make a quick sale with a flat dollar deductible regardless of existing plans than it is to do a decent job for the employer by integrating the major medical insurance with a basic insured or Blue Cross plan so as to avoid any substantial area of double coverage with its attendant increase in claim costs," he said.

"I cannot understand," said Mr. Whittaker, "why companies that profess to believe in coinsurance sell coinsurance in reverse, because that is exactly what you are doing if you sell a \$300 deductible regardless of a base plan which may pay up to \$1,000."

The coinsurance percentage is often a source of trouble. Some employees want a factor as small as 10%, but Mr. Whittaker said this could lead to abuses, as where psychiatric treatments are involved.

Mr. Whittaker made these recommendations for the situations commonly encountered:

1. No basic coverage. Suggest \$100 per illness deductible.

2. Basic plan with own company. Suggest deductible of \$300 or \$500 or the payments under basic plan, whichever is greater, or an out-of-pocket deductible of \$100 on top of payments, if any, under basic plan. If coverage is written on employee-pay-all basis, the out-of-pocket deductible should increase with income so as to maintain equity among employees.

3. Basic plan insured with another insurance company. Don't quote unless the basic is to be transferred on the group to be insured for major medical.

4. Basic coverage Blue Cross and/or Blue Shield covering all employees under consideration for major medical. Suggest major medical with flat \$100 out-of-pocket deductible or graded deductible as discussed above on top of basic. Since the premiums for this coverage are very small in states where Blue Cross and Blue Shield provide liberal benefits, do not quote except on large groups.

5. Blue Cross and/or Blue Shield optional, some employees being covered for both, some for Blue Cross only and some for neither. This is a most unsatisfactory situation. If major medical is to be employee-pay-all, recommend flat \$500 deductible in spite of family-wide area of double coverage. If employer money is involved, recommend deductible of \$500 or payments under basic coverage, whichever is greater.

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Personalities at N.A.I.C. zone 4 meeting at Chicago as seen by lens of Harry H. Fuller: Top, Commissioners Sheehan of Minnesota and Jensen of North Dakota; center, Robert Rydman of H. & A. Underwriters Conference; Insurance Director Barrett of Illinois, and W. R. Arrington, member of Illinois legislature and vice-president of Combined. Inset, Commissioners Wells of Indiana, Lange of Wisconsin and Agsorn of Thailand.

National Union Makes Office, Field Changes

National Union has made a number of field changes.

E. Ragland Dobbins has been named manager at Atlanta assisting J. Hunter White, resident secretary. Mr. Dobbins has had agency and field experience.

The Sioux Falls office servicing the Dakotas has been transferred to Aberdeen, and Robert C. Bearsley, state agent, will now have headquarters in the McDiarmid Slater building.

At St. Louis, the office has been moved to 3910 Lindell boulevard.

Earl M. Cole, has been named special agent at Richmond, Va., working with J. W. Hosier and W. A. Kenmuir.

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Wis. Court Overrules Auto Omnibus Employee Exclusion

Wisconsin supreme court refused to enforce the provision in the additional interests clause of the automobile liability policy excluding cover on personal liability of an employee of the insured to a fellow employee, on the ground that it is in conflict with a Wisconsin statute. The case is Zippel vs. Country Gardens, Inc., 1 C.C.H. (Auto 2nd) 384.

Ever since standardization of the automobile liability provisions in 1935, the additional interests clause has had an exclusion of this type. The section in the present policy, which is headed "Definition of Insured," states that, as to anyone other than the named insured, it does not cover "any employee with respect to injury to or sickness, disease or death of another employee of the same employer injured in the course of such employment in an accident arising out of the maintenance or use of the automobile in the business of such employer." The purpose of this exclusion is to keep an injured employee who is not satisfied with a workmen's compensation settlement from bringing a personal suit against the fellow employee who caused the accident and getting the auto liability insurance carrier of the employer to pay a judgment.

This happened in the Zippel case. Zippel was an employee of Country Gardens and was injured while riding in the course of his employment on a truck owned by Country Gardens and driven by Derocher, another employee. Both employees were under the workmen's compensation act. Zippel sued Derocher personally, and Fireman's Fund Indemnity, which insured the automobile and was joined in the case, denied coverage because of this exclusion.

Justice Gehl, upholding a refusal of the Oconto county circuit court to dismiss the case as to Fireman's Fund Indemnity, pointed out that section 204.30(3) of the Wisconsin statutes states that every automobile liability policy in the state must provide that its coverage "is extended to apply in the same manner, and under the same provisions as it is applicable to the named insured, to any person...operating any automobile described in this policy when such automobile is being used for purposes and in the manner described in said policy..." The opinion held that the statutory provision clearly overruled the exclusion in the policy and that Derocher was an additional insured and entitled to coverage.

Stonewall Now in 4 States

Stonewall Ins. Co. of Mobile is now licensed in Mississippi, Texas, Arkansas and Louisiana besides its home state. It is operating under a system of general agents and is not planning to do a direct business in any other state for the present.

Ohio Valley Moves to Cleveland

Ohio Valley Automobile has moved its head office from East Liverpool to 4300 Euclid avenue, Cleveland.

New Chicago Distaff Officers

Insurance Distaff Executives Assn. of Chicago, at the annual meeting May 21, will install Florence Peterson of Phoenix-London as president, and Anne E. Cate of Stewart, Keator, Kess-

berger & Lederer, Inc., as vice-president.

Betty Miller of Millers National is the new recording secretary. Other officers elected at the April meeting were Mathilda Schmitt, Marsh & McLennan, corresponding secretary; Madeleine Althouse, Western Underwriters Assn., treasurer, and Mabel L. Laycock, also of W.U.A., historian.

Get Set for N.A.I.A. Parley

Plans are being perfected for the convention of National Assn. of Independent Insurance Adjusters at San Francisco June 18-20. Ted Brown of the adjusting firm of Brown Bros., the housing and registrations chairman, is putting out a stern warning to get reservations in pronto. E. H. Bockius, president of N.A.I.A., will meet with the directors June 16-17. A number of tours are being worked out for the ladies. Mrs. Earle Wright is chairman of the ladies committee.



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Eye Broker of Record, Payment of Sub-Agents and Other Problems

PHILADELPHIA—The well attended breakfast session during Eastern Agents Conference of metropolitan and large lines agents expressed the liveliest interest in the talk by Thornley B. Wood, Philadelphia agent, on the need for some standardization or uniformity in handling the problems attendant upon a change in broker of record. As John C. Weghorn of New York, chairman of the meeting, pointed out, no clear cut pattern of practice exists. The New York brokers' group has its own code based on the law cases applicable there. Other cities have developed their own codes. In an era of legalism it is difficult to set a plan of procedure.

The program for this portion of the E.A.C. was exceptionally good. William Penn, assistant secretary of Home, discussed underwriting of the personal property floater. Richard Layton, vice-president of Rough Notes, told how to save money on office procedures. Victor Schinnerer, Washington, D. C., agent, discussed employment and payment of solicitors, brokers and sub-agents. A number of members of Assn. of Local Agents of New York City attended.

The subject of what are current procedures when one producer captures a line from another and what a proper procedure would be was introduced at this panel to get agents to think about it, discuss it, explore it, and eventually perhaps work out a suggestion for a more uniform pattern, Mr. Wood said.

He said that a recent survey of several large companies, bureau and non-bureau, and several large agencies disclosed no two companies with the same procedure. Suppose a producer changes during the term of the policy—who is entitled to the commission on the additional premium turned up by audit? Who controls the commission when a policy is endorsed? What about three and five year term business or church budget policies?

One large bureau company, he said, takes the position that it will give the originating broker 10 days to approach insured to upset the broker of record authority. Another has two practices, one in its casualty department and a different one in the fire department. One large non-bureau company will not change the broker on any policy but insists that a contract should be rewritten. What about return commission? One company gives the originating agent all of the commission on the term policy installments and on church budget contracts, throughout the life of the contract.

Mr. Wood noted that the New York brokers have a code but that it applies only to the return commission phase of the problem. There are a number of legal opinions on the case over the country.

W. F. Stanz of Brooklyn said that no legal opinion could take away from insured his right to designate the producer. He suggested that a form of broker record be worked out that is legally firm.

Mr. Wood commented that when a big line is involved, say \$5,000 in premiums, the commission becomes a big item. The adjustment of commission on premium amounts that are varied on audit is troublesome, also on cancellation.

David McFalls of New York said that the Haff vs. Western National decision held that the broker earns his

full commission when he places the business. Several companies have considered instituting a test case, a friendly suit, in order to upset this holding. The court in effect held that the law implies no obligation on the part of the broker to return anything when the company cancels a policy.

R. F. Moore of New York suggested that under the installment plan the principle enunciated in this case gives the broker the commission for the full term.

Stanley Cowman of Philadelphia suggested that the subject be passed on to N.A.I.A. metropolitan agents committee of which Emil Lederer of Chicago is chairman. Mr. Weghorn urged those present to contribute any questions or suggestions that they have so that they could be ready for Mr. Lederer at the Florida midyear meeting of N.A.I.A.

An agency with sub-agents, sub-brokers and the like must have team-

work if it is to succeed, Mr. Schinnerer said, and should be paid on the basis of their contribution to the success of the team. He thinks agents have to get away from paying on the basis of so much per item or per policy, but must go over to payment on the complete year's activities.

The sub-agents should be paid on acquisition of new business, retention of old accounts, service to existing accounts, and the general building of good will for the agency. In his own agency, he said, they try to keep records of the number of new surveys made by sub-agents and solicitors, old surveys brought up to date, new business produced, etc. A man's productive success falls into a pattern. One man can do \$250,000 of premiums a year and no more. Another can get up to \$350,000.

With teamwork the agency acquires depth and strength. If there is a big industrial account, depth will show up. The agent with such a team can get away for a needed vacation, can go out and solicit, can do other things that are essential. But there must be two or three in the agency able to handle a

large account before the agent can get far from his base of operations.

It is essential to work out a method of paying account men, he said, in a way that will attract good men into the field. Agencies have been lax in bringing good men into the field. The best source is company-trained men. In effect, the agencies must take them away from the companies. Companies know that this is going to be done and is being done, and Mr. Schinnerer thinks it would be a good idea for companies to recognize the situation and carry a surplus of men.

In the discussion that followed the talk by Mr. Penn, Brian Kane of Chertown, Md., wondered if the experience on the P.P.F. was bad all over, including small towns. Mr. Penn said that it isn't particularly good anywhere, but that it is worse in the big cities.

What is the deductible most frequently used on the P.P.F.? \$25. Some companies prefer \$50 and use it exclusively in some cases. Some insurers will not use the \$15 deductible.

An agent asked if it wouldn't be a good idea to use the \$15 deductible

(CONTINUED ON PAGE 20)



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Philadelphia Branch Receives Diemand Trophy



Here is a picture of the ceremonies in connection with the presentation of the Diemand trophy of Indemnity of North America to the Philadelphia metropolitan department for excellence of operation and service to producers. Philadelphia has possession of the original Diemand trophy after having won it three years. The pre-

sent plaque is the third to be presented. In the picture, shown from left, are R. S. Robins, vice-president; E. S. Page, general manager at Philadelphia; William P. Arnold, Jr., Indemnity manager; John A. Diemand, president; H. P. Stellwagen, executive vice-president and James M. Crawford, vice-president.

Confusion Arises on TV Antennas and Insurance

Local agents have been hearing here and there from an article in "Sylvania News" of last November saying that fire insurance on a dwelling is voided automatically if a fire is caused by lightning striking a TV antenna unless an approved type of lightning arrestor is installed between a receiver and the antenna. The article went on to say that courts have held that when the installer of a TV set failed to protect his customer, such installer rather than the insurer should be held liable for damages caused by his negligence; also that many TV service contractors still fail to include the use of the lightning arrestor and proper ground.

Of course, there is no justification whatsoever for a general statement that fire insurance on dwellings does not cover fire caused by lightning where there is no approved arrestor. There might be a few farm policies here and there with warranties about lightning arrestors, but this would probably be where credit has been given in the rate for the use of this device. It is likely that the author of this article in "Sylvania News" confused subrogation by fire insurance companies with denial of coverage to the owner of the property. An insurer, of course, after paying a loss can proceed against a TV installer if it feels that the fire was due to his negligence and it can collect if it can prove it.

Springfield Transfers Hall

B. G. Hall, Springfield special agent at Great Bend, Kan., since 1950, has been transferred to Albuquerque, N. M., to succeed Arthur F. Riegler, who goes to the Minnesota field.

C. Wayne Botsfield, formerly with Springfield at St. Louis, has gone to Wichita as state agent for central and southeast Kansas. He will share offices with State Agent Deane S. Jaeger. Mr. Jaeger will supervise Southwest Kansas.

PETERSON HOOSIER CHIEF

Indiana State Fire Prevention Assn. has elected B. H. Peterson of Automobile president to succeed Robert G. Hubbell of Northern Assurance. John T. Gorman of Aetna Fire is vice-president and George F. Wilder, Home, secretary. Harry Wolff of Western Actuarial Bureau showed films and color slides on the fog and water spray technique of fighting fires.

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Believes New I. & B. Form Ambiguous, Contradictory and Inadequate

Several aspects of the new improvements and betterments form are discussed in a recent communication by George D. Vail, Jr., vice-president of Corroon & Reynolds and head of the loss division of that group. He points out that the new form is, in his opinion, apart from its ambiguity and contradictions, entirely inadequate to properly cover legitimate tenants' improvements situations.

Apparently, Mr. Vail notes, because of some cases where building owner and lessee each collected for improvements damage, Western Underwriters Assn. decided to cure the situation by issuing a lessee's form, which apart from extreme doubt as to what it covers or would pay in many situations, entirely fails in many instances to provide proper insurance for a legitimate risk.

A lessee's coverage whether under specific or reporting form takes the contents rate and Mr. Vail believes it has been a highly profitable business. The new form has been approved in many W.U.A. states and recently was approved by the Middle Department Assn. of Fire Underwriters. It was not approved in New England, has been rejected in New York and probably will not be approved for reporting covers. It was not submitted for all reporting covers but merely for form A, though obviously forms 1 and 5 are equally in the picture.

In the explanatory memo of W.U.A., lessee's improvements are stated to be a "diminishing interest." That is true from the purely time element of a lease, but the interest which is right of use is certainly not necessarily a diminishing interest where a loss results in the lessee having to repair or replace the entire damage if he is to continue the use and occupancy of the premises. Neither do the cases or the policies support the widely held theory that tenants' recovery for improvements damage is limited to the proportion of damage which the unexpired term of lease bears to the full term of the lease.

The bulletin makes the argument that improvements are in the nature of advance rent and proceeds to draw conclusions from the comparison that seem to complicate rather than to clarify the form coverage. If W.U.A. treats improvements as being in the nature of advance rent, they might have developed a coverage along the rental value line. They state the installation of improvements constitutes "the" consideration for lower rental when it is only one of many considerations. Others, such as location, anticipated business and length of lease, including extensions and renewals are equal factors.

The bulletin in playing up installation of improvements as the sole or main consideration has the tendency to support W.U.A.'s promulgation of a restricted cover on the ground that the lessee doesn't need anything more. Further, the status of improvements as a consideration for lower rental relates more particularly to situations where the improvements are scheduled at the time the lease is signed. The consideration decreases where, and this is not uncommon, no improvements are made initially but are made subsequently and in accord with the development of business at the prem-

ises.

W.U.A. argues that on renewal of lease the lessee has no continuing interest in improvements and that the lessor, under covenant to restore, is obligated to repair or replace building damage including improvements. Both arguments are highly questionable, the former for the reason that the lessee has the same right of use of improvements under renewal of lease as he had under the original lease, and the latter because, even assuming as fact the lessor's complete obligation of restoration, the argument gives no consideration whatever to cases of no building insurance and cases of insufficient building insurance. Believing in view of the same right of use under a renewal situation that there is a continuing insurable interest, this form makes no provision for a situation, so countrywide and

involving billions of dollars of improvements values, introduced by lessees.

In a New York case several years ago the lessee's insurer defended and lost, with a decision that a new tenant succeeding a previous tenant who has installed certain improvements acquired the same insurable interest in improvements as the previous tenant who installed and paid for them had. The lease imposed no obligation upon the landlord to restore the improvements, the main element of which was a duct and pipe system extending from ground floor restaurant kitchen to the exterior of the building, and extending several floors to the roof of the adjoining building.

There is a great lack of uniformity and clarity in lease agreements with respect to improvements and responsibility of the respective parties for restoration. Even in leases where the landlord is obligated to replace fire damage, including damage to improvements made by lessee, it is common to find a restriction limiting the landlord's liability to an amount not exceeding his building insurance recovery.

ery.

These are important issues to the tenant's insurance and protection under the new form, particularly in its references to repairs by the lessee "within a reasonable time after such loss" and the case of non-repair by lessee within such time and in the case where improvements are repaired or replaced at the expense of the lessor. What is a reasonable time after the loss? Obviously that would depend on different circumstances, such as the extent of loss, building insurance, amount thereof and coinsurance or other qualifying conditions, the time required for the landlord to make up his mind whether to repair or not repair and related considerations entering into the landlord's decision, such as building an entire new building subject to making long term lease with the lessee or an entirely new party, all of which elements equally enter into the tenant's decision whether to repair or not.

Also, it may be entirely possible for any improvements adjustment or repair by either party to be held up

(CONTINUED ON PAGE 20)

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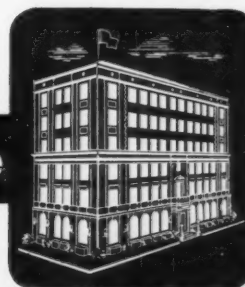
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Baxter Joins Illinois Department as Examiner

Eugene F. Baxter, recently of Chase Conover & Co., consulting actuaries at Chicago, and formerly controller of Reserve of Chicago, has joined the Illinois department as an examiner.

Mr. Baxter has served as vice-president and controller of Secured Companies, Indianapolis, and controller and assistant treasurer of Manufacturers & Merchants Indemnity, Cincinnati.

He was also for 10 years with Joseph Froggatt & Co., as assistant manager in charge of casualty examinations at Chicago.

Direct Mail Story Book, Album

A novel twist has been employed this year to merchandise Central Mu-

tual's direct mail to its agents in the form of a combination record album story book. The entire plan was described on a 10-inch record with the record inside the cover and excerpts of the direct mail story, including exhibits, on subsequent pages, the principal one being a six-piece mail campaign consisting of three letters and three cartoon booklets.

New England Women Elect

Miss Roberta L. White of Hartford has been elected president of New England Association of Insurance Women. Mrs. Rachel Fogg, of Portland, is secretary. Miss Louise Ludwig of Hartford will be general chairman of the conference of the Insurance Women of New England at Hartford Oct. 23-25.

Lightfoot Takes Over W. Va. Field for Pearl-American

Pearl American has detached its West Virginia field supervision from western Pennsylvania and E. R. Lightfoot has been appointed as special agent in that state with headquarters at Charleston. J. R. Andrews continues to supervise western Pennsylvania.

Mr. Lightfoot was educated at North Carolina State College and has had field experience in South Carolina and Virginia. He was a first lieutenant in the last war.

Would Liberalize D. C. Licensing

WASHINGTON—Rep. Talle has introduced a bill to amend the District of Columbia fire and casualty act so as to

permit an agent or solicitor to secure a license to solicit accident and health business here under that act without taking the prescribed examination, if he is licensed under the D.C. life insurance act.

Secretaries Hear Panel

Youngstown, O., insurance secretaries heard an open forum discussion of questions relating to fire insurance. Panel members were "Bud" Bain, Jr., Glens Falls; Paul Brown, Hanover; Donald Webster, Scottish Union; Eugene Wallworth, Springfield; Ray Kapp, Phoenix; and L. L. Knittel, superintendent, Ohio Inspection Bureau.

William D. Ryan of the George Horner agency of Uvalde, Tex., has become a partner and is now agency manager.

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Iowa Insured Levels Criticism at the Improvements, Betterments Form

J. Stuart Kirk, secretary-treasurer of Younkers, the Des Moines department store, has been addressing the insurance companies to endeavor to induce them to give the buyer an opportunity to decide whether he wishes to use the new improvements and betterments endorsement in the middle-west, or whether he wishes to continue using the old sole and unconditional ownership endorsement. Also if the buyer decides to use the new endorsement, that he be permitted to attach an interpretive endorsement in an effort to clarify "some of the questionable points in the new form."

The new endorsement, according to Mr. Kirk, has raised some serious problems at some of Younkers locations. He contends it is unfair to force the insured to discontinue using the long established endorsement. Younkers, over a long period, has entered into long term lease agreements for buildings on the basis and with the understanding that Younkers could insure its improvements and betterments under the sole and unconditional ownership clause. "Now," he said, "as though in the middle of the game, you have changed the rules on us, and are forcing us to accept a new endorsement in lieu of the one that has been in effect for many years. He asked that Younkers have the privilege of using either the old or the new endorsement."

He gave an example of an alleged hardship. For instance, in one of Younkers' leases there is a provision that if the building is destroyed or damaged, the owners do not necessarily have to rebuild unless this can be done from collectible insurance. Younkers believes that the owners do not carry replacement insurance and that at the time Younkers checked their values the insurance would not have been sufficient to rebuild the property. The lease was made a number of years ago for a 20 year period with two 10-year options. Presently it is estimated that the improvements and betterments

have an insurable depreciated value of \$258,000. The insurance is carried in the contents policy. If this property was to be destroyed and the owners decided not to rebuild, Younkers would be able to recover only a small portion of its investment. He said Younkers appreciates the argument that if the lease were canceled, Younkers would have no further interest in the improvements, but he said Younkers would like to carry its insurance so that in case of a loss and cancellation, Younkers would have the money to improve another property if that were necessary. Younkers believes it has a real insurable interest in this property.

One of the most difficult problems that Younkers has in connection with its insurance is to determine an accurate value for property either on a replacement or depreciated value. Younkers can't understand how it can determine true values when part of the property is to be on a depreciated value and part on a replacement value.

Usually in making leases, Younkers has a clause granting them permission to extend the lease for an additional term or terms. On the basis of this total time that Younkers can occupy the property, Younkers makes improvements that are costly. Since the improvements are made with a view of extending the lease, it seems unfair to require settlement on the basis of the initial term of the lease.

Often, even at the expiration of a lease there are values in the improvements and betterments because Younkers is most likely to enter into negotiating for a new lease and the improvements would serve its purposes under the new lease the same as under the old. Also, there are some items in the endorsement that are not clear and Younkers is concerned that they might lead to difficulty in settling a loss.

G. C. Gustafson Goes To Mich. Surety Head Office

G. C. Gustafson, who is well known in surety underwriting circles at Chicago, has taken a responsible position at the head office of Michigan Surety of Lansing. For the past four years he has been head of the surety department of National Surety branch at Chicago, and on his departure he was given a dinner by his associates and presented with a desk set. He attended Minneapolis College of Law, and was with Federal Land Bank of St. Paul until he made a connection with Employers Mutuals of Wausau and went to the Chicago office in 1941. Then he joined Hartford Accident and at an early stage moved into the surety department and was with that company six years.

F. R. Hill Eureka Manager

Frederick R. Hill has been appointed Newark manager of Eureka Casualty. He has been a casualty man since 1932 except for war time service as an army captain. He attended New York University and Harvard school of business administration. In recent years he has been connected with Massachusetts Bonding and with General Casualty of Seattle at Newark.

A.C.S.C. Gains Three Members

Prudential of Great Britain in New York, Hudson and Skandia have been elected into the membership of Assn. of Casualty & Surety companies, swelling the A.C.S.C. total to 115.



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EDITORIAL COMMENT

No. 9 on the Fire Underwriter Today

The following is from a company executive who is associated with his company's educational program, and is part of the series THE NATIONAL UNDERWRITER is running on the place that the fire underwriter occupies in the business today:

We have quite a number of budding examiners and in addition to teaching underwriting fundamentals we have meetings where we discuss various subjects that have to do with the insurance business generally.

Articles have appeared from time to time pointing out how underwriting done on a class basis can be pretty much absorbed by machines; however, we still believe that the examiner will always be a pretty important fellow and will be as necessary to the insurance business as the infantry is to the army.

We are listing some of the points we feel deserving of consideration if we are to develop the type of examiner needed in this business.

1. I believe an examiner should make it a point to develop a real reading habit of insurance periodicals and all other reading materials such as are made available by the National Board of Fire Underwriters as well as the monthly reports of the Conference of Special Risk Underwriters. Knowledge is power and can only be obtained by reading and constant study.

2. Letter writing should be given

special attention with particular emphasis placed on eliminating stuffy business jargon that has no relation to the way business people talk face to face.

3. The examiner should have an opportunity to travel with the fieldmen of his territory to become acquainted with the agents he corresponds with, as well as making inspections of some of the risks he is underwriting. We feel this to be important, for we have found from our own experience that it gives the examiner a better understanding of the risk and also generates an enthusiasm for learning which is important in developing a good examiner. Many of these inspections can be made locally without trips to the field, are therefore of no expense and can be handled in small groups.

4. Close cooperation with the loss department, making it possible to review loss information that will assist the examiner in underwriting future risks, particularly new types of risks that have no past loss experience and where the severity of the hazards are brought to light only after losses occur.

There is no limit to the facilities made available to the examiner that will help improve his position. The nature of this business itself should excite the curiosity of the examiner. The development of a good memory and a desire and will to improve are necessary ingredients.

Commissioners Can Set an Example

The suggestion of Commissioner Fischer of Iowa that the N.A.I.C. zones confine their meetings to one a year is one to which many of the people on both state side and the company side will say amen. It has been obvious that at zone meetings for the past year or so an agenda has had to be manufactured so as to make the meeting look good. There has been an absence of matters pressing for attention, at least such matters as could be disposed of or coped with by a splinter group such as a zone gathering. We have said before that during the hectic days following the S.E.U.A. decision and the enactment of public

law 15, there was good reason for the commissioners and the industry to be in session almost continuously. The habit of holding meetings has continued far beyond the time when the urgency for them disappeared. The zone system seems to be pretty well a fixture, but there are very few that would not say that two meetings a year are a luxury, if not indeed an ordeal that could be dispensed with. We congratulate Mr. Fischer on his stand. The commissioners could set an example for the industry. The value and purpose of all insurance gatherings might well be reappraised.

Ohio Casualty Capital Is Boosted Another \$500,000

Ohio Casualty is increasing its capital from \$2 million to \$2½ million. This is being accomplished by the issuance of 100,000 additional shares at

\$5 par value by way of a 25% stock dividend.

Hartford Has New Albany Address

Hartford Fire and Hartford Accident have moved their Albany, N. Y., offices from 76 State street to a new building at 321 Central avenue.

PERSONALS

J. Edward Clements, a veteran field man and local agent in the upper peninsula of Michigan, was honored at a gathering of field men and local agents at L'Anse, Mich., on the occasion of his retirement. He has been in the insurance business 45 years. Mike Ennis of Newberry was toastmaster and talks were made by Harry E. King of Calumet and Lew Wargin of Milwaukee. Mr. Clements was presented with a gift and a purse. There was a cocktail party and then a dinner dance with 100 attending.

Warren O. Elson has purchased the Louis Cohan agency, Toledo, O., general agents for Continental Casualty. Mr. Elson was formerly a Continental agent in Ann Arbor, Mich., and Toledo.

Harold A. McKenna, vice-president, Chicago office, Phoenix-London group, and Mrs. McKenna have left for a three week business and pleasure trip in the east. Mr. McKenna will confer with officials in the home office this week and will spend the next two weeks at his farm in Litchfield, Conn.

Clinton L. Allen, president of Aetna Fire, has been reelected a director of U. S. Chamber of Commerce without opposition, to represent the insurance industry.

William A. Dearth, operator of the Wallen agency at Parsons, Kan., was elected mayor of Parsons.

Edwin P. Simon of the Critchell-Miller agency of Chicago has returned from a South American trip. He was at Cali, Columbia, for some time where he has important accounts.

Robert Finch of the W. Robert Finch agency of Kokomo, Ind., has been elected president of the Kokomo Lions Club.

A. C. Fellows, marine department of Charles W. Sexton Co., Minneapolis, has been elected president of Northwest World Trade Club.

E. L. Williams, former president of Insurance Executives Assn., has been elected president of National Multiple Sclerosis Society.

Herbert T. Walworth, director of industrial hygiene for Lumbermens Mutual and other companies in the Kemper insurance group, has been named president-elect of American Industrial Hygiene Assn. He automatically will become president at the annual meeting in Chicago next April.

John V. McCabe of the McCabe & Hengle agency at Chicago and Mrs. McCabe spent the last three weeks on vacation in Ft. Lauderdale, Fla., and were joined there by their daughter Jean, who is attending Wellesley College.

Three insurance men were named officers of Newark Chamber of Commerce at the annual meeting. S. Harrison Rollison, Jr., president of O'Gorman & Young agency, is 2nd. vice-president, and Bruno C. Vitt,

president of American is 3rd vice-president. S. Westcott Toole, a vice-president of Prudential, was named to the executive committee.

Harold Junker, president of Crum & Forster, has returned to the head office from a middlewestern visit. He was at the Freeport western department last week and then was at Chicago this week.

H. D. Balyeat, president of Hukill & Co., Inc., Cincinnati, is observing his 25th anniversary with the agency on May 1. He is also secretary of Cincinnati Underwriters Salvage Corps. Mr. Balyeat was claims supervisor for Travelers at Cincinnati before joining the agency.

Harold V. Smith, president of Home, and Mrs. Smith are having a vacation at Augusta, Ga., which is the former home of Mrs. Smith.

Lester H. Harvey, president of New Hampshire Fire, and A. E. Gilbert, vice-president of American International Underwriters, are scheduled to start next week on a business trip to Europe.

William L. Ferguson, newly appointed state agent in western Pennsylvania for Caledonian, was taken ill on a visit to Hartford and underwent an appendectomy there.

Harvey Combs, the new Arkansas insurance commissioner, was sworn in April 17 to succeed U. A. Gentry. Officially the state was without a commissioner for one day, since Mr. Gentry resigned effective April 15. Miss Fanny Hardy, assistant commissioner, was "acting commissioner" for 24 hours, the first woman to serve in this capacity.

Robert E. Harlow, claim manager at Chicago for Ocean Accident, is at his home recuperating from surgery. He is expected back on the job in about two weeks.

Alamo Field Club Elects

The Alamo Field club of San Antonio elected Wayne Rogers, special agent of Commercial Union, as vice-president to fill the vacancy created by the resignation of Joe Holleran who has entered local agency work at San Marcos, Texas.

Claim Men to Hear Pauley

C. O. Pauley, managing director of H. & A. Underwriters Conference, will speak at the May 13 meeting of Chicago Claim Assn. Mr. Pauley was one of the organizers of the group. This will be the last meeting of the year, except that the association will have a golf outing June 10 at St. Andrew's Golf Club.



Harvey Combs

THE NATIONAL UNDERWRITER

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420 E. Fourth St., Cincinnati 2, Ohio

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LOUIS H. MARTIN, Vice-President.
JOSEPH H. HEAD, Secretary.
JOHN Z. HERSCHDE, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Richard F. Black, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

DEATHS

JEAN ANDRUS, 43, general adjuster for the Pacific department of Aetna group, died unexpectedly. He was an active member of Fire Loss Assn. of the Pacific Coast and Automobile General Adjusters Assn., as well as one of the organizers of Available Garage Plan. Mr. Andrus started with Aetna Fire in 1926, a month after graduation from high school. He was transferred to the automobile department in 1929 and in 1936 became assistant to the late G. S. Mariner, general adjuster for Aetna. In the interim, Mr. Andrus was graduated from Golden Gate college law school in 1935 and was admitted to the California bar. He is an army veteran, entering as a private and leaving service as a captain. He returned to Aetna in 1946, taking over the duties of Pacific Coast general adjuster following Mr. Mariner's retirement.

MRS. HAZEL ST. CLAIR WHITE, wife of Hal A. White, vice-president of Standard Accident, died Wednesday at New Grace Hospital, Detroit, at the age of 57. There is a son and four daughters. She was a former newspaper-woman and was a graduate of Trinity College, Washington, and Columbia University.

CHARLES R. ARENTS, 56, assistant manager of the insurance department for Texas Co. at New York, died. He had been with the company 38 years.

BERNARD YANCEY CALVERT, 63, Lynchburg, Va., died suddenly while attending a business meeting. In the insurance business since 1907, he first was with Walker & Mosby agency at Lynchburg. Later the firm became Walker, Mosby & Calvert, Inc. He had operated his own agency since 1933. Mr. Calvert served for some years on the city Democratic committee and later became independent in politics. His paternal ancestors were the Calverts of Maryland.

A. H. LINDSAY, 79, retired Pacific Coast manager of Commercial Union group, died at Soquel, Cal., after a long illness. Mr. Lindsay had retired in 1938. He started in the business with California Ins. Co., now part of the Commercial Union group, as a special agent, in 1905.

GEORGE B. LILLY, who was New Jersey manager of Travelers Fire, died in Valley hospital at Ridgewood, N. J. at the age of 56.

HAROLD H. GAMBER, state agent for North British & Mercantile in western Ohio died at White Cross Hospital, Columbus, after an extended

illness. He was in his 45th year of service with North British.

J. H. MAYER, president of Mayer & Johnson, insurance appraisers at Chicago since 1938, died at St. Anthony hospital, Michigan City, Ind.

EDWARD C. COLLINS, assistant automobile manager at New York for Hartford Accident, died of a heart attack at his home, at the age of 50. He had been with Hartford A. & I. since 1924.

JOHN D. LARUE, 71, for 30 years a local agent at Ypsilanti, Mich., died at University Hospital, Ann Arbor.

JOSEPH H. KING, 76, former manager of the casualty division, Canadian Underwriters' Assn., died at Toronto. He was manager of the casualty division for more than a decade before his retirement 14 years ago.

MRS. LEONA GORDON, in the insurance business in Niagara Falls, N. Y. for many years, died there after a short illness.

GEORGE CONDON, 69, retired engineer of California Compensation Insurance Fund, died at his home in Eagle Rock, Los Angeles.

Zone 3 to Meet But Once a Year

Zone 3 of N.A.I.C. at its meeting at Atlanta decided to abolish the two meeting a year scheme. This brought sighs of relief from camp followers and from many of the insurance department people, too. There will be just one meeting a year and that will be in the spring. Commissioner Fisher of Iowa made this proposal at the zone 4 meeting at Chicago the previous week.

There was practically nothing for zone 3 to take up and the session was wound up in short order on the first day. Davis of Mississippi was elected chairman, succeeding Cravey of Georgia. The latter was elected as the zone's representative on the N.A.I.C. executive committee. The Atlanta companies supplied entertainment. Wade Martin of Louisiana, N.A.I.C. president, made a talk as did Gov. Talmage of Georgia. Most items on the agenda were shelved to subcommittees.

Cleveland Board Goes Multiple Line Anyway

The Cleveland Board has now gone multiple line even though the multiple line bill in Ohio has been killed. The articles of incorporation have been amended to have the board embrace all lines of insurance, except life, A. & H., title, credit and wet marine. Also, a completely new set of regulations was adopted. President Charles F. Stewart said the changes were in anticipation of favorable legislation on the multiple line underwriting bill.

Rumor Kane to Leave Defense Insurance Post

WASHINGTON—It is rumored that Thomas L. Kane, insurance director Defense Department, will leave office this spring or early summer. He came here to help the department and its munitions board about 2½ years ago during the height of the Korean crisis and the defense mobilization program.

Friends say that Mr. Kane has been instrumental in getting established sound policies with respect to procurement of insurance in connection with that program, defense production and related matters. Among the most important of these have been (1) establishment of the defense projects rating plan along lines somewhat similar to the war projects rating plan of the last war; (2) adoption of the group plan relative to coverage of employees of defense contractors, and (3) development of sound insurance policies and programs in the three military departments and services.

Am. Auto Not on S. F. Plane Crash

THE NATIONAL UNDERWRITER regrets that due to failure to catch an error in transmission, American Automobile, in a report in the April 23 edition, was wrongly identified as being the insurer of the Western Air Lines plane that crashed in San Francisco Bay. The insurance was with Associated Aviation Underwriters. In transmitting this from New York an error occurred and the insurer was identified as American Associated and this mistake was not detected in editing. American Auto has no interest in this class of business.

Two Marine Special Agents Are Appointed by Aetna

Richard A. Anderson and Gray D. Creighton have been appointed special agents for marine business, Aetna group. Mr. Anderson, assigned to the eastern New York territory, will be associated with State Agent Edwin C. Waterhouse at Albany. Mr. Creighton, assigned to the eastern half of Pennsylvania, replaces Special Agent John Smigrodski, transferred to Pittsburgh.

Both special agents are graduates of Aetna's multiple line training school. Mr. Anderson joined the company in October, 1951, following air force service. Mr. Creighton came to Aetna's home office in 1951. He will have his

headquarters in Philadelphia under the supervision of Marine Manager W. J. Horner.

Okla. Public Hearing Bill Due to Pass

The Oklahoma senate has passed and returned to the house for concurrence in an amendment, a bill to make casualty rate filings subject to prior approval and to require the holding of public hearings by the insurance board on any filings that involve any change in rates. The present law in Oklahoma provides that filings shall be effective immediately on being made. The change was an outgrowth of all the hullabaloo that arose last December in connection with the automobile rate filings of National Bureau of Casualty Underwriters. These were disapproved after having been in effect for some time and the board asked the National Bureau companies to permit the re-writing of policies that had been sold during the higher rate period, at the lower tariff.

Under the new bill which apparently will pass, the board must call a public hearing within 15 days after a filing is made. The hearing will be subject to a call of 10 to 15 days. Then the board must approve or disapprove the filing within 45 days after the filing is made. There is a provision making fidelity and surety rates deemed to be approved on the date of filing.

Malley Leaves Spectator to Go with Doremus & Co.

Francis J. Malley, formerly managing editor of The Spectator, has joined the New York public relations department of Doremus & Co., advertising firm. Mr. Malley joined The Spectator in 1947 and became managing editor a year later. A graduate of Manhattan College, he did post-graduate work in public relations and journalism at Fordham University. He is a member of the Insurance Society of New York.

Great American Names Hutchison in W. Pa.

Wilbert N. Hutchison, who has been with Pacific National and Paramount in the western Pennsylvania territory, has joined Great American as special agent with headquarters at 700 Commonwealth building, Pittsburgh. T. V. Laird, manager at Pittsburgh, has been keeping an eye on the field that Mr. Hutchison now will cover.

The J. M. Knutsen agency of East Stanwood, Wash., has been purchased by Frank E. Sweeney.

MIDWEST UNDERWRITERS

J. R. MULDER

Surplus Line Broker • Lloyd's London Correspondent

WILLIAMSON BUILDING
CLEVELAND 14, OHIO
PHONE • CHERRY 1-1231

business
written through
agents and
brokers
only

■ WIDE
SURPLUS LINE FACILITIES
FOR OHIO AND
SURROUNDING
STATES

London Lloyds Group Yacht Rates Give U. S. Agents Competition

Agents here and there report running into competition with London Lloyds on yacht cover that is advertised as being placed exclusively through American Yachtsmen's Assn. and on its members exclusively. The association is located at 3340 16th

street, N. W., Washington, D. C., and affects pleasure craft only.

One folder states that the association has entered into a contract with London Lloyds which offers the broadest pleasure boat insurance coverage obtainable at rates 15% below the standard American scale. The folder advertises that it can save a yachtsman money on all marine insurance—all risk hull, protection and indemnity and short term race coverage, and states

that there is a 20% no loss return for insured with no claims in a year, on both hull and P.&I.

A schedule of rates is set out. For cruising restricted to the eastern seaboard, from Eastport, Me., to Cedar Keys, Fla., in standard stock boats powered with gasoline motors, the schedule is as follows:

Value of Hull	Six Months Cruising	Full Year's Cruising
\$20,000-\$25,000	2.75%	4.25%
\$10,000-\$19,999	3.25%	4.75%
\$ 7,500-\$ 9,999	3.75%	5.35%
\$ 5,000-\$ 7,499	4%	5.5%

If the waters are inland lakes, the Great Lakes or Gulf areas the premium is reduced accordingly, according to the folder.

For the smaller yachts the rates are as follows:

Value of Yacht	Age Under 10 Years	Age Over 10 Years
\$3,600-\$4,999	4.5%	5%
\$2,500-\$3,599	4.75%	5.5%
\$1,000-\$2,499	5%	6%

This is six months cruising and six months storage. For full 12 months cruising, add 1.5%.

Medical payments for guests and named insured runs as follows: for \$500, six months cruising, \$7.50, and for twelve months cruising, \$15. For \$1,000 cover the two prices are \$10 and \$20. P. & I. rates for six and 12 months up to \$10,000 boat value (special quotes on boats of more than \$10,000 value) are as follows:

Limits	Six Months	Full Year
\$5,000/\$5,000	\$21	\$32
\$5,000/\$10,000	\$31.50	\$48
\$10,000/\$10,000	\$42	\$64
\$10,000/\$20,000	\$50.40	\$76.80
\$20,000/\$20,000	\$54.60	\$83.20
\$20,000/\$40,000	\$56.70	\$86.40

At least one London Lloyds broker has quoted on \$100,000/\$300,000 P.&I., including the omnibus clause, at \$92.60 for 12 months, \$61.74 for six months. This broker also has quoted \$1,000 medical payments at \$12.75.

enue Bureau for dwellings would make the owner of a 30 year old building very unhappy for insurance loss settlement purposes.

In the question period, Mr. Berkson was asked whether architects fees should be included. He replied that these should be insured even where a set of plans exists. If there is a serious loss, the original plans won't tell how to make the tie-in of the utilities between the new part and the already existing structure. The architect's supervisory fee of 2% is always necessary and this is part of the cost of construction, he said.

I.E.A. Elects Conick, Jackson, Sammons

Insurance Executives Assn., at its annual meeting at Skytop, Pa., elected H. C. Conick, general attorney of Royal-Liverpool group, chairman, to succeed John R. Cooney of Loyalty group. A. B. Jackson, president of St. Paul Fire & Marine, was elected vice-chairman; F. Elmer Sammons, president of Hanover, treasurer, and J. D. Erskine, secretary (reelected).

Edward A. Lerner, U. S. manager and attorney of Employers Liability and president of Employers Fire and American Employers, was newly elected to membership. F. K. Kleene, president of Home of Hawaii, was elected to succeed Ralph E. Clark, formerly president of that company.

Casualty Underwriters to Expand to Fire Field

Stockholders of Casualty Underwriters, Inc., St. Paul, the agent-owned company, have voted to expand operations to fire and allied lines. The company was organized to write automobile only, and later added workmen's compensation and general casualty.

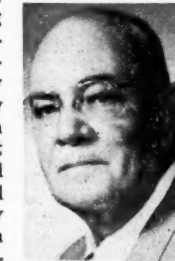
Stockholders also voted to issue 11,700 more shares of common stock, bringing the total to 35,000 shares.

T. B. Hull Marks 40th Anniversary

Thomas B. Hull, who operates the Hull & Co. general agency at Fargo, N. D., is celebrating his 40th year in insurance May 1.

He started his insurance career with Morton Page & Son, local agency of Fargo, in 1913, and the following year bought a one-quarter interest in the Bristol agency. He bought out that agency in 1916 and changed the name to Hull agency. Then in 1918 Mr. Hull bought the farm general agency of Commercial Union group from Roy T. Bristol, and in the succeeding 10 years acquired 10 small local agencies. He sold his local agency business in 1934 to Warner & Co., entering the general agency business exclusively under the name Hull & Co. This is now one of the largest general agencies in the Dakotas and has represented eight fire companies and one casualty company for more than 38 years. There are now 12 fire companies and three casualty companies and one fire company for hail insurance only, represented by Hull & Co.

Two of Mr. Hull's sons are now with the agency. George H. Hull joined the firm in 1937 and is special agent for North Dakota. Frank E. Hull started in 1945 after leaving the air force.



Thomas B. Hull

Appraisals by Company Engineers are Criticised

Sheldon E. Berkson, president of First Appraisal Co., in his talk during Chicago Insurance Day, said a disinterested appraiser is much to be preferred. When an insurance company engineer does the work, no matter how qualified he may be, there is always a fear on the part of the insured that there is an underlying purpose to build up the amount of insurance carried and furthermore, the insured is very likely to think that he has the equivalent of a valued policy when a company engineer has done the totting up. Hence the insured may end up as a coinsurer or as being insured for values that he can't collect on.

Mr. Berkson skirted the subject of depreciation. He warned against uncritically accepting charts and tables or trying to arrive at a pinpointed figure. Any computation, for instance, that shows depreciation extended to the cents column is absurd. Tables of depreciation, he said, are simply outline figures and are to be used as a guide for the observer who must compare a particular property with the average in the table, taking into account all sorts of factors such as the effect of climate, maintenance, and one thing and another.

A straight line depreciation for tax purposes has no relevancy for insurance. For instance, the 3% per year depreciation rule of the Internal Rev-

WANT ADS

Rates—\$15 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

ATTRACTIVE FIELD OPPORTUNITY

A prominent New England Mutual Fire Company has opening in Long Island and New Jersey territory for field man with record of accomplishment.

We are most interested in a man between thirty and forty years of age with five or more years of field experience in fire or casualty insurance. Better than average salary and benefits will be paid to the right man.

If interested in being considered for this position write a personal letter stating experience, educational and personal information. Address S-19, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

INSURANCE AGENCY—COUNTY SEAT TOWN—CENTRAL ILLINOIS—GOOD STREET LEVEL LOCATION—MODERN OFFICE—ALL STOCK COMPANIES—GOOD DISTRIBUTION, NOT LONG ON AUTO-FAVORABLE CLAIM LOSS RATIO. WILL SELL FOR TWO YEARS RENEWAL COMMISSION—APPROXIMATELY \$50,000. MUST HAVE AT LEAST 1/2 CASH—BALANCE TERMS @ 5%. ADDRESS S-31, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT TO THE PRESIDENT

A large midwest insurance company wants executive familiar with all phases automobile, physical damage, credit life, accident and health coverage. Must have administrative ability, knowledge of insurance regulations, experienced in state license applications. Responsible executive position. Top salary to qualified man. Direct your experience résumé to S-39, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED CASUALTY SPECIAL AGENT

By old responsible Casualty Company Young Man with some casualty field and underwriting experience in Midwest operating from Des Moines. Right man can make excellent future for himself. Address P-48, The National Underwriter, 175 W. Jackson Blvd. Chicago 4, Ill.

EXCELLENT OPENING

for Special Agent to travel a Southern State, representing well-managed Mutual Fire and Casualty Insurance Company. Please address S-24, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Have clients wanting to buy FIRE-CASUALTY-HOSPITALIZATION-LIFE COMPANIES. All replies held strictly confidential. Reply Box S-10, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SALES PROMOTION ASSISTANT

Casualty Company with Chicago headquarters wants young, aggressive man from that area to assist in Group Sales Promotion and allied activities. No experience necessary—a salesman with ideas and ability to express in writing could fill the bill. Involves preparation and distribution of sales material, ads, booklets, manuals, house organ.

Reply giving details as to age, marital status, present occupation, earnings and, if possible, specimen of creative writing.

Address S-30, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

COULD YOU USE MORE LIFE PROSPECTS?

40 years old Casualty Company, licensed in 44 states and with over 300,000 insureds has recently entered Life insurance field. Payroll deductions on many major railroads. Liberal financing plan and commissions to those who qualify. Here is the chance of a lifetime for men willing to work. Address S-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE UNDERWRITER WANTED

Experienced man to assume supervisory authority in Cook County Branch Office of progressive stock fire insurance company. Must be able to organize work and train young men. In reply state age and qualifications. Replies will be held in strict confidence. Address S-41, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Casualty Company wanted to write Local and Long Haul Truck in Kentucky. Experienced underwriter. Address S-18, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED FIRE SPECIAL AGENT

Midwestern Mutual Fire Company rated A+ desires man for Illinois territory. Replies will be held confidential.

Cream City Mutual Insurance Co.
2200 No. Third Street
Milwaukee 12, Wisconsin

SOLICITORS

Would you like to have your OWN loop office? We can give you individuality and prestige and the freedom you have been looking for. Address S-34, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

General Agency New Mexico consisting of excellent Mutual Fire and Casualty companies only. Low volume of business but nucleus agency plant established. Possibilities unlimited. Price \$7,500.00. Address S-37, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Headliners Slated for General Agents Parley June 7-10

The main features of the program have been announced for the convention of American Assn. of Managing General Agents at Nippersink Lodge, Genoa City, Wis. June 7-10. There are a number of top flight speakers, including Robert Maxwell of F. Offenhauser & Co. of Texarkana, Ark., who is a member of the executive committee of N.A.I.A., his topic being "Emphasis on Expenses"; Jack E. Larson, secretary of Multiple Location Service Office, on "Developments in Multiple Line Underwriting"; Fred H. Calvin, executive vice-president of Kansas City F. & M., on "Agents"; D. M. Pruitt, actuary of General Accident, on "The Impact of Electronics in the Insurance Business"; W. A. Rattelman, president of National Union and chairman of the National Board public relations committee, on "Public Relations"; George Malcolm-Smith, assistant advertising manager of Travelers on "The 'Personal Spites' of Life." James C. O'Connor of THE NATIONAL UNDERWRITER and Fire, Casualty and Surety Bulletins, and E. S. Whitcombe, assistant western manager of Hartford Fire are the other speakers. They have not yet given their subjects.

May "Ads" of Insurers are Listed for Papers

Following is the national advertising which fire and casualty companies have reported for May issues of the publications listed. Where no date is indicated the publication is a monthly magazine.

Aetna Casualty & Surety—American Banker, May 28; Bankers Monthly; Burrough's Clearing House; Case & Comment, May 15; Construction Methods & Equipment; Contractors & Engineers Monthly; Engineering News Record, May 7; Journal of Accountancy; Western Construction.

Aetna Fire—Nation's Business; Newsweek, May 25; Pathfinder, May 6; Time, May 18; U. S. News & World Report, May 1.

America Fore—Fortune, May 1; Life, May 11; National Geographic; Newsweek, May 18; Saturday Evening Post, May 2; Time, May 4.

American Credit—Banking; Business Week, May 30; Credit & Financial Management; Daily News Record, May 5, 12, 19, 26; Dun's Review; U.S. News & World Report, May 15; Wall Street Journal, May 5, 12, 19, 26.

American Foreign—Engineering & Mining Journal; Engineering News Record, May 7; Export Trade & Shipper, May 4; Exporter's Digest, May 1; Reader's Digest (Japanese-English Edition); Time (Latin America, Pacific) May 4; Visao, May 1; World Oil, May 1.

American Mutual Liability—Business Week, May 9; Harvard Business Review; Newsweek, May 11; Time, May 18.

Boston Ins. Co.—Boston Business; Christian Science Monitor, May 6, 22.

Employers' Group—Time, May 25.

Great American—Saturday Evening Post, May 16.

Hardware Mutuals—Business Week, May 23; Farm Equipment Retailer; Hardware Retailer, Nation's Business; Newsweek, May 4; Saturday Evening Post, May 9; Time, May 18.

Hartford Accident—Banking; Business Week, May 9; Case & Comment, May 15; Engineering News Record,

May 14; Nation's Business; Saturday Evening Post, May 2; Time, May 4.

Hartford Fire—Construction Methods; Nation's Business; Saturday Evening Post, May 2; Time, May 4.

Maryland Casualty—Saturday Evening Post, May 23.

National Board—Better Homes & Gardens; Collier's, May 9; Look, May 5; Saturday Evening Post, May 9.

National Surety—American City Magazine; U. S. News & World Report, May 16.

North America—American Home; Better Homes & Gardens; Business Week, May 23; Nation's Business; Saturday Evening Post, May 9; U. S. News & World Report, May 15.

Phoenix Connecticut Group—Nation's Business; Pathfinder.

State Farm Mutual Auto—California Farmer, May 30; Collier's, May 23; Pathfinder, May 20; Progressive Farmer; Saturday Evening Post, May 30; Successful Farming.

Md. Casualty Managers Gather

The branch managers of Maryland Casualty were at the head office for a two-day gathering with President W. T. Harper and other officers Monday and Tuesday.

Williams Heads New Chicago Lloyds Agency

Underwriters Agency Corp. has been established at 309 West Jackson boulevard, Chicago, by Robert D. Williams.



R. D. Williams

The agency has binding authority and full facilities for handling all types of Lloyds business.

Mr. Williams has been manager of the Lloyds department of Lauerma Brothers, Chicago brokerage firm, since 1951. He has bought that organization's Lloyds business.

Starting in insurance in 1941, Mr. Williams was with Liberty Mutual for 1½ years before beginning his army

service. He rejoined that company in 1946, going to Brooklyn as assistant chief underwriter two years later. In 1949 he returned to Chicago as assistant manager of the Jones & Whitlock agency.

Hunter Goes to Am. Fore Head Office, Dekker Aid

W. Hugh Hunter, III has been brought from Texas into the head office of America Fore. He becomes agency superintendent and will assist Secretary Nicholas Dekker, who is in charge of the U. & O. department. Mr. Hunter attended Texas Technological college and Dallas school of law. He started in 1934 as examiner with Texas Insurance Checking Office and has been with America Fore since 1937. He has been in the eastern Texas field.

Hear Liability Talk

John Y. Latta of the Parker & Co. brokerage firm of Philadelphia discussed special types of comprehensive, general, property damage and products liability insurance to cover unusual situations, at Massachusetts Insurance Buyer's Assn. luncheon in Boston.

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Insurance Problems of Savings Banks Stressed at Upstate Meeting

The savings banks of New York state hold a mortgage portfolio of more than \$7,200,000,000 dollars, about half of their investments, Charles R. Diebold, president of Western Savings Bank of Buffalo and head of the Savings Banks Assn. of New York State, said in his talk at the upstate meeting in Niagara Falls of Savings Banks Insurance Forum of New York. John Danko of Central Savings Bank of New York presided. George P. Slayback, Jr. of Brooklyn Savings Bank headed the program committee.

Much is heard of new branches and the need of protecting banks against defalcations, Mr. Diebold said, but not enough protection is given the insurance departments of savings banks. They are a vital part of the banks' operations. With savings banks now loaning nationwide, there are added complexities which will continue to increase. Insurance is a much detailed specialty requiring trained personnel, he said. The proper management of the banks' insurance is as necessary as the proper management of the audit department. Bank executives should give the matter serious attention.

James B. Dunlaevy of the Bank for Savings, New York, noted that the savings banks blanket bond costs substantially less than the commercial banks pay. However, the loss ratio is increasing and went from 25% in the years 1945-47 to 50% in 1948-50. This upward trend is expected to continue.

Forgery and embezzlement losses are increasing rapidly, and this is worsened by the government's attitude in connection with the cashing of E bonds.

An effort has been made to have Surety Assn. of America, U. S. Guarantee and Indemnity of North America consider the inclusion of errors and omissions coverage in the savings banks bond. This effort was made after reviewing the cover offered by London Lloyds to mortgage bankers.

However, Mr. Dunlaevy said, the time is not particularly good for pressing for increased coverage.

He noted that the forum had been instrumental in getting replacement of records included in the blanket bond. After analyzing the blanket bond cover of 512 mutual savings banks, it has been decided that no standard for bond amounts can be developed without further information as to bond costs and losses, he said.

New La. Auto B.I. Filing Cuts Down on Increases

Mutual Insurance Rating Bureau and National Bureau of Casualty Underwriters have filed new requests for increased automobile B. I. rates in Louisiana. The original filings have been withdrawn and the new one asks for rate increases of 5.3% on private passenger car PDL as compared with 26.2% originally. On commercial vehicles, the PDL increase asked is 11.4% as compared with 35.2%. An original application for 2.3% increase in B. I. on private passenger cars has been dropped.

G.A.B. Appoints Two in Cal.

Gordon A. Nicholson has joined General Adjustment Bureau at San Luis Obispo, Cal., to handle casualty claims.

G.A.B. has named Edward P. Binder as resident adjuster at Watsonville,

Cal. Before joining G.A.B. he was an examiner and investigator for three years with Philippine war damage commission.

Take Action in Cal. on Insurance Bills

A bill sponsored by the California agents to eliminate the certificate of convenience from the California licensing law has been defeated in the senate. Opposition to it was led by Farmers Insurance Exchange and automobile dealers.

Two bills which would prevent "racial discrimination" in writing insurance have been favorably voted out of the house committee. One of them would make it illegal for a company to refuse to issue automobile liability policies or charge a different rate because of race, creed or color. The penalty would be \$100 for each violation. The companion bill has these provisions and adds a license suspension on a company for violations.

Commissioner Maloney's group disability regulatory bill has been referred to the ways and means committee for study as to costs of administration.

The controversial comparative negligence and compulsory automobile bills are still to be discussed in committee.

Reinsurance Agency Names Wilkins Dallas Manager

Ronald A. Wilkins has been named vice-president and manager of the southwestern service office at Dallas of Reinsurance Agency, Inc., of Chicago. Mr. Wilkins has been in the local agency business, but before that for 30 years was with U.S.F. & G., becoming assistant manager at Dallas.

With Reinsurance Agency, he will have charge of Texas, Oklahoma, Louisiana, and New Mexico.

Howard A. Goetz, who has been vice-president in charge of the Dallas office, has been put in charge of overall management of Reinsurance Agency, of which Andrew J. Helmick is president.

Fight Del. Tax Bill

A bill that has got the feathers flying in Delaware would levy a special 2% premium tax on the writings of fire and casualty companies other than for fire, windstorm or marine lines to finance a police pension fund. There is presently a tax on fire and wind for fireman's pension fund. This tax would be over and beyond the regular premium tax. The bill also has a stinger that the insurer couldn't increase its premium to recover the amount of the tax except with the approval of the insurance department. This would introduce a new feature to rate regulation.

Title for J. J. Schelz

John J. Schelz has been elected assistant treasurer and assistant secretary of Baltimore Equitable Society. He has been with B.E.S. since 1945.

Schedule Minn. Annual

Minnesota Assn. of Insurance Agents has scheduled its annual meeting for Sept. 17-18 at the Radisson hotel, Minneapolis.

Specialty Insurers Eye Bigger Expense Dollars of Metropolitan Centers

One question asked by W. Howard Stewart of Clearfield, Pa., in his talk at Eastern Agents' Conference in Philadelphia, was why the non-agency automobile insurers that are proving such tough competition for conference companies and their agents these days are not operating in the big cities.

Several have called attention to the fact that Allstate has never eschewed big city business per se and is and has been quite active in such metropolitan centers as New York, Chicago, etc. Farm Bureau of Ohio is advertising vigorously in New York City, and other specialty companies in this field are said to be eyeing big city premiums with more favor than formerly.

These companies are said to believe that they can pick up some extra dollars of profit out of the portion of premiums devoted to expense when they move into the high premium cities. For example, if 25% goes for expenses, profits, etc., excluding acquisition and losses, a company gets \$12.50 on a \$50 automobile premium in a country area but picks up \$25 in a metropolitan center where the premium runs \$100 and \$50 where the premium is \$200. They say that there is not that much difference in dollar outlay for expense between the two extremes of territory.

On the basis of filed experience, the percentage allowances for expenses, losses, and acquisition costs should hold mathematically true as between the metropolitan and outstate territories. However, the observation is made by some that in areas of great traffic congestion the insurer is likely to find that he is paying more than the percentage allowance for losses, especially on property damage liability. There certainly is a considerable dollar difference in expense between a rural community and Chicago, New York, or Los Angeles, though the per unit cost of producing and processing the business probably is not as great as now exists with the present premium levels. The observation also is made that rates may decline somewhat and then there would not be quite the dollar attraction in the big cities. It is also possible that the small rural agent would not earn on a small automobile premium enough to really justify handling the business if that is all he handled, and if he did not also get other lines with it so that the account is a profitable one.

Lawrence to Industrial Indemnity Fire Post

Drew P. Lawrence, agency superintendent of Great American in the Pacific department, has joined Industrial Indemnity as assistant fire manager. He will assist Percy B. Lynch, former assistant manager of Great American, who recently became vice-president of Industrial Indemnity to establish a fire division.

L. W. McChesney, who has been Great American's special agent at Seattle, succeeds Mr. Lawrence as agency superintendent.

F. & C. Short Course Slated

The annual three day "Short Course" on fire & casualty insurance will be held May 11-13 at University of Kansas at Lawrence, sponsored by Kansas Assn. of Insurance Agents. Chairman for the course is Bob Charlton, Charlton agency, Lawrence.

The Wichita association will par-

ticipate in the annual meeting on May 8 of Kansas Firemen's Assn., together with the Kansas Fire Prevention Assn. and the fire prevention committee of the Wichita chamber of commerce.

All three organizations had nominated Wichita radio station KANS for the National Board's 1952 Gold Medal award.

Modify N.C. Bill on A. & H. Cancellation

RALEIGH—The North Carolina senate has radically revised the house bill which would have called for notice of cancellation of A. & H. policies equal to about one-quarter of the time the policy had been in force. Under the senate version the bill now merely provides that the commissioner shall have authority to make regulations pertaining to A. & H. contracts.

Rep. Arthur Goodman, sponsor of the bill, stated that Commissioner Cheek has assured proponents of the measure that he will establish a rule, if the bill is enacted, whereby the insurers will be required to give three months' notice for each year after the first year the assured has held the policy.

Panel Discussions Feature Nebraska Caravan Agents

Two panel discussions, one on fire and allied lines and one on automobile and casualty problems, will feature the meeting of Nebraska Assn. of Mutual Insurance Agents at the Hotel Clarke at Hastings May 4 and 5. Chris Rosenberg of North Platte will be moderator of the fire panel and H. L. Patterson, Omaha, will lead the casualty discussions.

J. L. Robertson, Scottsbluff, will open the meeting Monday with his report as president. W. H. Rodda, Chicago, secretary Transportation Insurance Rating Bureau, will speak on inland marine opportunities and a representative of National Assn. of Mutual Insurance Agents will be the luncheon speaker. The annual business meeting and election will follow the fire panel in the afternoon, after which there will be a hospitality hour and the dinner. The casualty panel will open the Tuesday morning session and Mrs. Frieda Von Der Lieth, of Lumbermen's Mutual Casualty home office at Chicago, will speak on agency advertising.

Pass Two Iowa Bills

The Iowa legislature has passed a bill increasing fees for publication of insurance annual statements to \$10. The present fee is \$6 and the bill originally would have increased it to \$12.

The governor signed a bill permitting A. & H. companies to sell franchise business to trade and professional associations.

California Assns Elect

New officers of local associations affiliated with California Assn. of Insurance Agents are: Brisbane-Bayshore: President, Stowe A. Webber; secretary, Martha K. Marquette; Burlingame-San Mateo: President, Coyle C. Collins; vice-president, Irving Doughty; Redwood City district: President, James H. Jorgensen; vice-president, William W. Homes; secretary, Calvin S. Grandi; Solano county: President, John Stewart; vice-president, Harold DeWitt; secretary-treasurer, Donald E. Demmon.

The A. J. Elbert and W. J. Meschendorf agencies have moved to the second floor of their own building at 2259 Gilbert avenue, Walnut Hills, Cincinnati, where twice as much floor space is provided.

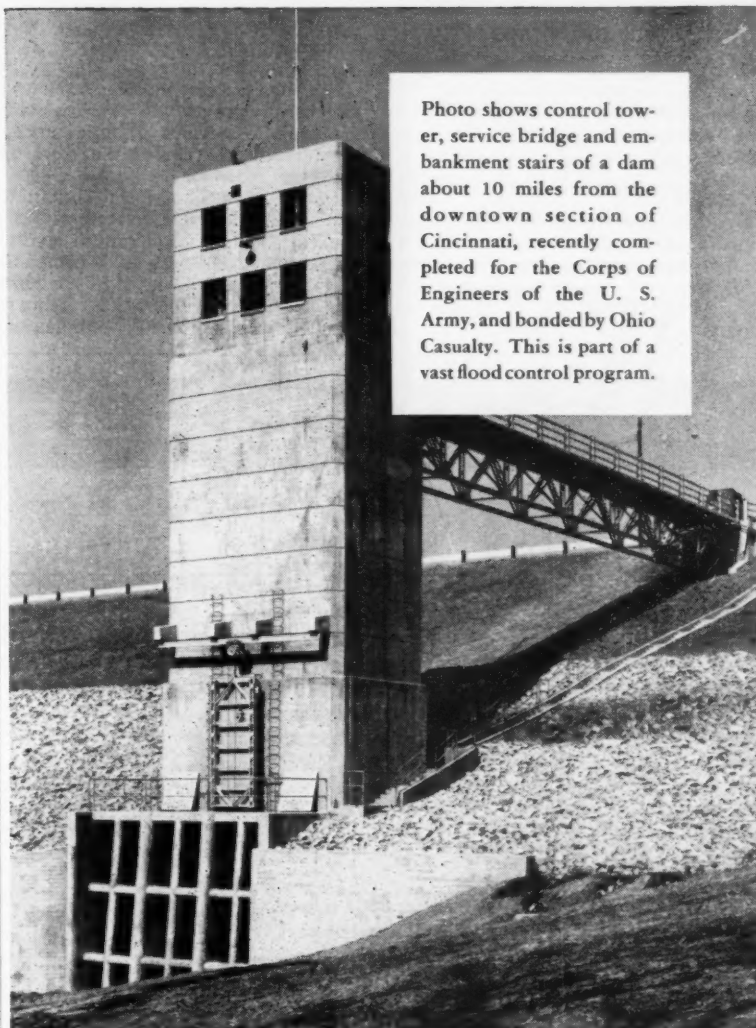


Photo shows control tower, service bridge and embankment stairs of a dam about 10 miles from the downtown section of Cincinnati, recently completed for the Corps of Engineers of the U. S. Army, and bonded by Ohio Casualty. This is part of a vast flood control program.

WHAT'S YOUR PART IN THIS PICTURE?

YOU'RE right. Almost every public construction job and many private projects call for a Contract Bond. Writing these bonds and the related coverages—such as Contractor's Liability and Property Damage—is good business for the insurance agent.

Ohio Casualty's prequalification and rating plan has a definite appeal to many contractors. It puts Ohio Casualty agents in a strong competitive position to secure a large share of this type of business.

We cordially invite responsible agents to get in touch with us with a view to joining our ever-growing, nation-wide corps of representatives.

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coast-to-coast
claim
service

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INSURANCE COMPANY

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Eye Broker of Record, Pay of Sub-Agent at Gathering

(CONTINUED FROM PAGE 9)

when switching from burglary plus protection to the P.P.F. Mr. Penn suggested the need of emphasizing the savings of the P.P.F. in all respects.

He said that he personally believes that the business will never put the co-insurance requirement in the P.P.F., because proving or disproving insured has met the requirements would be more trouble than the additional premium is worth.

He added that probably the worst feature of current experience is the terrific number of small claims. The public has become quite conscious of the broad provisions of the policy. Probably mysterious disappearance is the feature that causes the most difficulty.

Alfred I. Jaffe of New York noted that agents have been faced with this situation a long time and suggested they speak to executives of companies and urge that some or all of the remedies suggested be adopted. Mr. Penn replied that the matter is a complex one,

the contract is written countrywide, its underwriting and sale has been developed along a pattern, and it is not easy to effect a quick cure.

The business used to write the P.P.F. on risks developing values of \$30,000 to \$40,000 and select territories very carefully in which it did, but by post-second war, companies were energetically writing insured with \$3,000 to \$5,000 of values and companies were taking all they could get, Mr. Penn said.

With a normal loss inventory, it is believed that the insurance business is in a position to place 500 experienced, seasoned adjusters in any one disaster area. This was a comment in the paper prepared by Donald B. Sherwood, general adjuster of National Board, for the conference, which he was prevented from making because he was in Columbus, Ga., setting up a supervisory office for the catastrophe there. P. B. L. Carden of National Board made the talk in Mr. Sherwood's absence. The paper said there is a continuing effort to increase the manpower pool of adjusters throughout the country. Adjusting organizations constantly are augmenting their staffs, and the companies are expanding their corps of staff adjusters.

Believes New I. & B. Form Ambiguous, Contradictory

(CONTINUED FROM PAGE 11)

indefinitely until a court decision is obtained as to whether the lease obligates or does not obligate one or the other party to make improvements repair. Suppose a landlord is totally or partially obligated to repair but fails to do so for any reason, among them that he has no insurance, that he has insufficient insurance, that he is financially unable, etc.?

It could well be that tenant's adjustments under this form, and in hundreds of situations, would be indefinitely delayed or suspended, and all these problems pose additional questions of liability, both under the reasonable time language and the repairs by lessor verbiage. Generally speaking, landlord's building insurance is not written on replacement basis, so that even with full insurance his recovery would be limited to actual cash value. The tenant's form contains no language that would require his insurance to contribute any deficiency where the landlord might be willing to carry out a lease obligation to restore improvements damage to the extent of building insurance recovery or other sum less than the entire replacement cost.

A factual case submitted recently by a midwest agent involves a building worth \$100,000 exclusive of improvements. The lessee installed \$150,000 worth of building improvements. These improvements were installed under previous lease to the present. The building owner carries no building insurance and has no obligation to restore improvements damage. Apart from the question as to how a building loss would be repaired and at whose expense, the lessee has the sole obligation of restoring or repairing improvements damage if he is to stay on in such premises. That is not only an actual obligation but could cost the lessee anything up to \$150,000 or more. Is it over-emphasis to suggest that the conclusion is that the tenant has no interest in these improvements is not merely fantastic but would eliminate from insurance protection and premium millions of dollars of excellent business?

Take the situation where the owner

installed improvements for the particular occupancy of lessee, the value of such improvements being reflected in the lease, which, say, was executed before the installation of improvements. Are such improvements, in the form language, "made at the expense of the insured lessee since the execution date of the insured's lease is in effect as of the date of loss"?

Form drawers frequently mean very different things by the language they select than the interpretation, by loss executives, of the same simple English words. With that qualification, the improvements are not within the lessee's coverage under the form. Granted such conclusion makes no sense in foreclosing the lessee from covering an insurable interest, and always bearing in mind that his interest consists of exactly the same right of use as would exist if the tenant made the improvements at his own expense since the execution date of the current lease, or made them under a previous lease, we have another situation where the insurance of a legitimate interest is impossible under the only form provided, and impractical under alternative methods of coverage.

In every case where the insurer pays a lessee for improvements damage which the lessee replaces or restores, he has suffered the loss and the entire loss, and without consideration of many situations where tenants' cost of restoring improvements exceeds his insurance collection. Certainly if in such situations the owner collects an improvements loss (and there is no way to prevent that except by the building and tenants' insurers joining in effecting restoration or repair) he has suffered no loss, but that is something entirely different from the statement that the lessee has suffered no loss.

The bulletin says the form definition of improvements makes clear "that there can be no insurable interest in improvements and betterments unless there is a lease." What that means is that the form does not recognize an insurable interest unless there is a lease. Undoubtedly the consequent inability of a tenant, without a lease, to insure under this form is less important in the case of a small store or tenancy in a taxpayer, but what about the many situations where extensive improvements exist and where the lessee without a lease has occupied the premises for years and normally would continue to occupy the premises indefinitely? These are not isolated cases; they are common situations in many parts of the country, New England for one. Add to that the lack of obligation on the part of lessor to restore improvements damage; this form simply excludes such risks from insurance.

The rules prohibit writing I. & B. jointly in the names of the lessees and lessor, but where coverage is desired in both names jointly, and in lieu of I. & B. cover, protection may be afforded under building insurance. Of course, that will take care of a certain number of situations, but this affords no major alternative since it is usually impractical for lessor and lessee to get together and insure jointly. That inability is one of the chief reasons for the business offering the lessee the opportunity to insure interest in I. & B. separately.

Although the application of coinsurance to losses involving partial interests has not been solved even under building insurance, the bulletin treats at some length the application of the coinsurance clause to lessees' improve-

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ments coverage. It is difficult to understand why the application of coinsurance was stressed when the business has formulated no plan for applying coinsurance on building insurance where the interest insured is partial. Mr. Vail understands that E.U.A. contemplates rewriting the section dealing with application of coinsurance clause.

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Bearing in mind that the New York interest policy was adopted in 1943 and that coinsurance clauses and rates are applicable in many sections of the country, there still is neither a clear cut court decision on how coinsurance applies to insurance of a partial interest, nor has the business made any approach to changing coinsurance clauses in any respect as a consequence of the new interest policy.

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The W.U.A. bulletin states "it is well established" that the basis for application of coinsurance is the interest in rather than the property itself. He knows of no basis for such statement. It is obvious that the courts will eventually apply coinsurance and there appear to be some equities for whatever decision is reached. The application of coinsurance under this I. & B. form is further complicated because the cover, dependent on conditions subsequent to loss, provides indemnity in three separate bases: actual cash value, replacement cost—no depreciation, and ratio on original cost. So this form not only involves the same question of application of coinsurance to a risk in the nature of realty, and such application in the light of a lessee's interest therein, but possible fluctuations of the basis of valuation by reason of extraneous, although related conditions subsequent to loss. All these restrictions, ambiguities and overall failure to provide full coverage of lessees' interest in improvements may be summarized in the statements:

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That the form makes uninsurable thereunder untold thousands of risks that are fully entitled to appropriate insurance from moral and physical standpoints and that under this form it is terrifically uncertain just what protection the tenant buying it is getting, and equally uncertain what, if anything, it will pay him in the event of loss under circumstances that result in placing the burden of loss on him.

Brokers Urge Solution to Uninsured Auto Problem

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Insurance Brokers Assn. of New York State has elected Edward S. Benfield of Frank B. Hall & Co.; James Christie of William Stake & Co.; William T. Dunn of Dunn & Fowler; Thomas Duthie of Benedict & Benedict; F. Porter Gore of Francis C. Carr & Co.; William F. Morse of R. C. Rathbone & Son; Cornelius J. Reid of C. J. Reid & Co., and Gilbert J. Sinnott of Cosgrove & Co., all of New York, as directors. The group comprises the larger brokerage firms of the state.

At its annual meeting, the group adopted a report urging encouragement of conference with other interested groups in the business to develop at an early date a forthright and aggressive attitude on the problem of the uninsured motorist.

R. E. Retterer Joins Wolff

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R. E. Retterer has joined the Herman C. Wolff agency of Indianapolis as assistant secretary. He is a graduate of Indiana University school of business and was formerly with the Allison division of General Motors, transmission sales department.

Minn. Agents Hear from Buyer at Midyear Rally

ST. PAUL—Service and coverage are two of the most important things the large insurance buyer expects of his agent, Harold E. Towner, assistant insurance buyer of Minnesota Mining & Manufacturing Co., said at a breakfast meeting for metropolitan and large lines agents at the midyear meeting of Minnesota Assn. of Insurance Agents, which had a record attendance of about 400.

"One thing we buyers most expect," he said, "the one outstanding criterion on which competition among you is based, the one factor that weighs most heavily in the selection of an agent, the one thing that buyers must have, in addition to an insurance policy, is service with a capital 'S'. It is the buyer upon whom responsibility rests, and on that fact we justify our demands for service.

"We believe we have a right to expect you to know our business, to take advantage of opportunities to see our plants in operation, to read our annual reports, to study and analyze our loss experience, and to use all such information—together with your technical knowledge of insurance—in a manner that will best help us recognize our exposures. Buyers are always faced with the basic problem of knowing their exposures and we expect the insurance agent to help us in the solution of that problem."

Mr. Towner also said buyers expect to find an insurance specialist in the agent and that he should know how to sell the buyer on the advantages of the various types of coverage, that he could see no advantage in exercising subrogation rights in the long run.

Answering a question as to how large insurance buyers stand on deductibles, he said Insurance Buyers Assn. of Minnesota has around 75 members and they all appear to have a different approach to the problem.

At the breakfast meeting for rural and small lines agents, R. D. Clough, farm special agent of Fireman's Fund, said Minnesota capital stock agents are not getting their full potential of farm business. He gave statistics showing there is a possible premium volume of \$35 million a year and said that agents are falling far short of that mark. He urged agents to make more use of field men in developing farm business, citing examples of how agents have increased their farm volume in this way.

D. R. Wilhoit, America Fore, explained changes in the farm form, rates and rules. Frances W. McGovern of Rochester represented the agents on a panel on automobile competition and selling ideas to meet it.

Armand W. Harris, former Minnesota commissioner and legislative chairman for Insurance Federation of Minnesota, in reporting on the Minnesota legislative session now ended, called it a good one from the standpoint of the insurance industry. He called increasing compensation insurance benefits the principal insurance legislation of the session and also said attempts to force Blue Cross to pay a premium tax were unsuccessful, as the hospital group argued it was not selling insurance.

A meeting feature was a 100th anniversary luncheon sponsored by St. Paul Fire & Marine, which is noting its centennial. President Donald B. Clark of the agents' association cut a huge birthday cake, handing the first slice to A. B. Jackson, president of St. Paul F. & M. The speaker was Wal-

ter H. Bennett, former secretary and general counsel of National Assn. of Insurance Agents.

Ben Powers in K. C. Post

Ben Powers has been transferred from the St. Louis office of Home to Kansas City in charge of the marine department.

Gulf Capital \$2 Million

Stockholders of Gulf of Dallas last week approved an increase in the capital from \$1,800,000 to \$2 million. This will be accomplished by the payment of a stock dividend amounting to 1/9 of the number of shares now held.

Work is starting immediately on a \$250,000 addition to the head office building and is to be completed in about eight months.

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NATIONAL INSURANCE & GUARANTY CORP., LTD.
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INSPECTION & ENGINEERING service on all Casualty, Fire & Inland Marine lines.

NATION WIDE SERVICE in the U. S., Canada and Puerto Rico.

COSTS can be reduced through our method of pro-rating traveling expense, and obtaining isolated cases at no increase in fee.

SERVICE can be maintained in urban and rural areas by our complete coverage of the country.

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DOMESTIC AND FOREIGN

Still Fear Fund, Politics in Auto Rate-Making

(CONTINUED FROM PAGE 1)

uninsured motorist problem and that a mandatory law will be detrimental to the public and a definite trend toward socialized insurance in New York state.

The new president, Earl A. Lamb, New York City, appointed a special committee to make an unbiased analysis of the problem of the financially irresponsible motorist, for the purpose

of proposing improved legislation which would be acceptable to the insuring public as well as to the insurance business. The first meeting of the committee is scheduled for early May.

Mr. Geer in his report noted the sharp deviations from propriety employed by compulsory advocates and suggested that Gov. Dewey was merely robbing his own thunder when he referred to the rich and ruthless lobby and the frenzied campaign of the insurance business. He wondered why

the question regarding the existence of insurance was not included in the motor vehicle registration form, since the psychological effect alone would have closed the uninsured gap to some extent. He noted too that the vehicle inspection bills received a fraction of the support given to mandatory insurance.

Mr. Geer lightly admonished mutual casualty companies which came out for compulsory. He suggested that many are suffering from what might be called foot-in-mouth disease. American Mutual Alliance is a national organization but does not maintain separate state legislative programs. Those insurers did not constitute the balance of power in the legislative fight, he said, and if compulsory had passed, the agents would have been in their debt for getting a bill the agents could live with.

The three largest companies in the alliance are not agency companies, but direct writers, he said. The statement made by the alliance worked very much to the advantage of the compulsory opposition since it was released at a time when the public had been led to believe that the opposition to compulsory was solely that of an insurance lobby. The selfish interest arguments were completely nullified. Not all mutual insurers subscribed to the alliance position, he said. Several were enthusiastic in support of the agents' position.

The defeat of compulsory was a hollow victory at most. He urged all agents to cooperate with the association in its forthcoming efforts to find an acceptable solution to the problem of the uninsured motorist.

Other new officers elected are John C. Parsons of Syracuse and Eugene F. Wright of Valley Stream, L. I., vice-presidents; Norris H. Dann, Endicott, treasurer, and J. Lewis DuMond, Cobleskill, secretary, the latter two re-elected.

In discussing the problem of the competition of finance company-automobile dealer on automobile physical damage business, Paul A. Garrick of Medina said he had sent 1,300 letters to insured who might finance an automobile in the near future, advising them of his service, of what to do in event of accidents, etc. He noted that finance companies charge two years' premium in advance, adding 10% for cost of financing plus interest for that period. He suggested the possibility of the association exploring the

financing of car purchases. On several occasions he has financed such purchases personally, writing A. & H., fire, theft and collision and life insurance.

Walter F. Brooks, deputy superintendent of insurance, emphasized the importance of agents observing the commingling law. Companies should be able to get their money from an agent at any time, and the agent cannot use the prompt premium payments to discharge the debt of slow-paying insured. Companies and the date paid each company should be listed. Agents should analyze accounts current to determine the amount collected, subtract the average commission and keep the balance in a company account.

Though written permission from each of his companies gives the agent the right to maintain only one account, the department does not fully approve of this practice and may hold a hearing on the matter. Also, agents should identify each cash entry to show what month it applies to and check stubs should indicate if any other expenses have been paid from the company account. The balance in the company account cannot be invested and may be put in an interest account only if so designated and if there is no waiting period on withdrawals.

Frederick A. Schultz, personnel director of Unity Life & Accident, urged agents to be more selective in hiring and to do a thorough training job to be sure the employee clearly understands what the agency is, the types of coverage, the procedures for which he or she is responsible, etc. The agent does not save any time by saying he has no time to train. That is a certain way to lose time. The employee should know why the job is being done and how it applies to over-all agency operation.

Christensen New M.L.G. of Dakota Blue Goose Pond

Dakota Blue Goose at its annual meeting at Aberdeen elected C. H. Christensen, Great American, as the new most loyal gander. E. W. Beardsley, Western Adjustment, is supervisor; Peter H. Peterson, Home, welder; John W. Krug, America Fore, custodian; S. G. Mason, Royal-Liverpool, keeper, and Martin Cogley, Regan general agency of Sioux Falls, guardian. C. E. McLaughlin, Fire Underwriters Inspection Bureau, is the outgoing M.L.G.

The speaker was Ralph A. Dunham, attorney-general of South Dakota. There were more than 100 on hand for the two-day meeting which opened with a smoker and Dutch lunch.

Am. Surety on Right Track

American Surety enjoyed an underwriting profit of \$256,401 during the first quarter of 1953, President A. F. Lafrentz reported at the annual stockholders meeting. This compares with an underwriting loss of \$1,995,449 for the same period in 1952. The number of new casualty claims reported during the first quarter of this year was substantially less than for the parallel period last year.

Honor Agency at 50 Year Mark

Citizens Underwriters Agency of Bluefield, W. Va., was entertained recently by representatives of Chubb & Son, and by Calley & Clark, managing general agency of Huntington, marking the local agency's 50th anniversary. Citizens Underwriters was incorporated in 1907, but it operated as a partnership from 1903 until then. The agency has represented Chubb & Son through Calley & Clark since 1934, and has 34 other companies.

Present officers of the agency are Laurence Tierney, president; William Barger, manager; E. L. Agee, treasurer.

W. W. GREENE, Inc.

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TO WHICH MAY BE ADDED

Surgical expense providing \$125, \$225 or \$300 maximum. Medical expense providing \$3 daily for doctor's visits in hospital

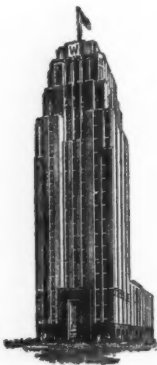
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prompt service
complete protection
responsible and efficient
handling of your claims
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at no sacrifice in protection
and service.

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Chicago Insurance Day Is Again Highly Successful

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dress given by Robert F. Hurligh, director of news of Radio Station WGN.

Mr. Gallagher pointed to the increasing percentage of fire and automobile premiums going to direct writers as constituting a threat to the producer but stressed there is much the agent can do to forestall this advance. Noting that the premium difference of direct writing and agency companies is comprised of commissions and the cost of various service facilities made available to assured, Mr. Gallagher said it is up to the agent to perform his duties in such a way as to convince buyers his service more than equalizes the premium differential. He said it is the duty of company and agent alike to hold costs so as to minimize this difference in premium. Even in the face of the alarming increases being made by direct writers, Mr. Gallagher noted there is a "tendency on the part of our own companies to increase commissions on fire business in the east and New England."

Agents should realize, Mr. Gallagher observed, that increased commissions could hasten the day when they lose more business to the direct writers. A smaller percentage of a good volume is much better than a greater percentage of nothing, "something I am afraid we may be approaching if we fail to keep service and acquisition costs within reasonable bounds."

Mr. Dirksen's discussion centered around three pending bills which would establish compulsory automobile insurance in Illinois.

Frank McCullough suggested an executive's group income policy as a way of filling two gaps in employee benefit programs. The time gap he described as that between the end of the income provided by a company's base plan, self-insured or insured, and the beginning of the pension plan payment, usually at age 65. The second gap he listed as the amount of money paid under the base plan, such as \$50 weekly, and the amount necessary to enable a man earning \$400 weekly to enjoy the same relative degree of production \$50 gives to a \$100 a week wage earned.

There was keen interest in the panel on automobile insurance matters. This came at the end of the day and the question period had to be cut short. Mr. Hart said there are signs on the horizon that the experience is going to be a little better. He mentioned that there had been no rate increase in Illinois in 1952, although there had been in almost every other state.

Some feel that the inflationary period is about over. If so, then auto physical damage and property damage liability will quickly respond, he said, but there will be a lag in the B. I. experience of about two years.

He said it would be fine if some way could be discovered to give recognition to the careful driver, but he indicated that he has doubts that such a system can be devised. The various merit rating and demerit plans are costly to administer and irritating to the policyholder and producers. The New York demerit rating plan was forced upon the business. The work to administer this is terrific, he said. He noted that in Canada on April 1, there was introduced a 20% no claims bonus plan based upon a three-year experience. Previously in Canada there was a 10% no claims bonus based on one year experience, but this had to be discarded.

Mr. Hart bragged up the medical

payments coverage. He said in 1951, premiums on this were \$48 million and losses \$20 million. This is a good will builder and it should be pushed harder. The \$250 limit should be removed. That is only enough to pay for the cost of a bad cold.

The assigned risk plans in the decade '41-'51 gave premiums of \$35 million and a loss ratio of 81.8%. In Illinois the premiums were about \$1 million and the loss ratio 88%. That is the price the business is having to pay to keep the state out of the business. He ended by saying there is a good chance of the automobile business coming back into the profit column in 1953.

Mr. Brewster said the tight insurance market is something that nobody likes. Automobile constitutes 50% of the business of most companies and they can't play fast and loose with it. Their solvency is at stake.

Mr. Davis said the compulsory insurance demand is going to continue. He said the insurance business should put up a common front and undertake to work out its problems before turning to the legislature.

In Illinois it was found that of those making automobile accident reports 83% have insurance. That indicates a 17% gap, but all but 2.2% have established satisfaction in other ways. In New York the gap is 6%.

In the question period Mr. Brewster was asked about the Allstate plan for classifying drivers. He said National Bureau is considering these matters, but doesn't want to jump off the deep end. The bureau is undertaking to set up a "factual plan." It doesn't want to go back to the 7,500 mile distinction. It wants a logical plan and one that the companies and agents can administer.

The question was asked why the mutual companies are so much more liberal in handling automobile risks than are the stock companies. Mr. Hart replied that the agents could not live under the restrictions that the mutual companies impose. They are quick to cancel and generally speaking, there is a lack of intermediary to protect the policyholder, he asserted.

He said that if it were not for the general writing companies, there would be some appalling situations. It is the life, fire and other types of casualty business that keep the multiple line companies going in Massachusetts. A company that had only automobile business stays away from the state. "A lot of us are tied in there by other lines," he said. "That is what saves you from a state fund." In Massachusetts 8 or 9% of the cars are in the assigned risk plan. He was asked why Allstate and State Farm, and other such companies are making so much hay. The primary difference, Mr. Hart said, is their method of merchandising. They don't support the agency system. It is a difference in the way of marketing the product.

ATLANTIC MUTUAL DEVIATION

The New York department has approved a deviation filing of Atlantic Mutual and Centennial to make single location risks eligible under general rule 33 reporting from A. New York City rule 48A, of N. Y. Fire Insurance Rating Org. The rule requires two or more locations though in all other states single location risks have been eligible for some time.

Withdraws from N. J.

Washington Assurance of New York has withdrawn from New Jersey. It is a member of Merchants Fire group.

N.A.I.A. Studies Self-Insurance on Municipalities

(CONTINUED FROM PAGE 2)

funds are set up are that the presence of large idle funds invites misappropriation or diversion by covetous public officials seeking the funds for other governmental projects. Failure of self-insurance will invariably bring down public censure from the press and the electorate on public officials responsible for the decision. A major fire might necessitate a large legislative appropriation, bond issue, or bankrupt the fund. Where the governmental unit is at or near the debt limitation, destroyed property may not be rebuilt for a long time.

Contrast the delay in making repairs caused by lack of funds, as witness the Michigan situation, with the speed and efficiency of private insurers in settling a loss. Just prior to the Michigan capitol fire, private insurance had been placed upon the state library, also located in the capitol. Placement of this coverage had been made following a disastrous fire at the library of University of Michigan.

The N.A.I.A. study points out that the coverage on the state library was placed through the Michigan Assn. of Insurance Agents and a premium of some \$3,600 had been paid by the association but no reimbursement had been received from the state at the time the fire occurred.

Private insurers paid out in excess of \$300,000 on the library and expedited salvage operations in such a manner that it was back in operation almost as soon as the smoke had cleared away.

The study emphasizes that insurers' value must be determined in more ways than by mere assumption of risk. Their engineering and inspection services are becoming increasingly important to the policyholder. Their loss prevention facilities are of tremendous importance to policyholders and the community.

The study declares it is doubtful if any state insurance fund or municipal self-insurance plan can effect any real savings and still provide efficient service comparable to that of well-established and strongly competitive private companies in the highly specialized field of insurance.

This lack is evident in the case of South Carolina. In the laws governing that state's sinking fund, no provision is made for inspection of insured property. The manager of the state agents' association reported on the gravity of this situation: "I have personally inspected three or four school buildings in the state and have found extremely dangerous situations as related to the safety of large groups of people in high school auditoriums."

Much of the service of a competent agent is in eliminating physical hazards and expanding fire prevention methods, which definitely bear on insurance rates.

Among other valuable agent services are securing prompt and fair settlement of losses, thus enabling rapid repair and restoration of services to the community.

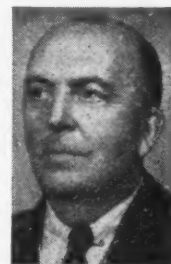
The study states that whether risk should be transferred or assumed by a plan of self-insurance depends upon a complete examination and appraisal of fundamental principles which should govern the answer to this question. Too often a decision is based solely upon the fact that premiums of certain amounts have been paid annually to private insurers over a period of years

and that in comparison with the total amounts paid, the losses have been moderate. Therefore, it is erroneously assumed that the amounts expended for premiums may be saved.

Greene Now Set Up As Reinsurance Intermediary

Winfield V. Greene, who for many years was prominent in the casualty operations of General Reinsurance has now opened offices at 110 William street, New York, and offers his services as a reinsurance adviser and intermediary.

Mr. Greene has recently visited England where he established first rate facilities for dealing with the London reinsurance market, in which he is well acquainted. Just recently he addressed the Pacific Insurance & Surety Forum at Santa Barbara, on "Larger Losses In The Bodily Injury Liability Field: The Primary Insurance Carrier's Problem as Viewed By a Reinsurance Man." Mr. Greene is a fellow of Society of Actuaries, and of Casualty Actuarial Society of which he is a past president.



W. W. Greene

Buck Direct Writers With Meritplan, Gurash Asks

John T. Gurash sent out a statement on the competitive advantages that he claims for the new Los Angeles company that he heads known as Meritplan. This company is closely allied with Pacific Employers. Mr. Gurash was vice-president and a director of Pacific Employers and Victor Montgomery general agency. The secretary-treasurer of Meritplan is William H. Erwin, who was formerly assistant vice-president of Pacific Employers.

While the press release doesn't say so, it is well understood that there is a reduced rate of commission to be paid by Meritplan. Mr. Gurash said that the program is intended to stem the drift of private passenger auto business to direct writers.

He said there will be a refined classification system giving recognition to driving record, average mileage driven, marital status of young drivers, personal habits, standard of living, occupational pursuits. A system of automatic renewals will be used quarterly and semi-annual terms will be granted. He said commissions will be paid on renewals, "similar to the plan which has so successfully been used by stock life and disability carriers for many years." He doesn't tell exactly what that is, but presumably it means that the rate of commission on renewals will be less than on the original policy. He said that the agent's bookkeeping work will be reduced to a minimum. Mr. Gurash said this will enable producers to retain and regain automobile business. He said the producer operating under the American agency system needs a weapon to meet price competition of direct writers. He cited the great growth of writings on the part of direct writers. In 1952 the three leading direct writing companies had automobile premiums of \$65,900,000, in California which was an increase of 29% as compared with the previous year.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

Alexander Heid, Jr., secretary. All are from New York City. Mr. Sanford is in Europe and will return May 11.

Citizens Casualty Buys Arex Indemnity

Associated Reciprocal Exchanges have sold their preferred and common stocks of Arex Indemnity to Citizens Casualty, but will continue through the wholly owned subsidiary, Arex, Inc., to provide their fire insurance policyholders with casualty coverages.

Allstate to Have New N. Y. Area Building

Allstate has broken ground at Harrison, N. Y., for a new \$1,250,000 building which will be ready early next year to house part of the metropolitan New York regional office. Brooklyn and Long Island policyholders would continue to be served by the New York city office. About 350 employees will use the new building.

Jack Up Requirements for Self Insurers

Chairman Mary Donlon of the New York Workmen's Compensation Board has indicated to the self insurers advisory committee that the retention layer on excess policies will be moved from the present \$25,000-\$500,000 to \$50,000-\$1 million. This will be on new risks. There will be no increase required for self insurers whose excess policies presently are on file.

New York Compensation Insurance Rating Board is preparing a general rate revision for July 1.

National Board Gives N.A.I.A. Fire Safety Award

National Board will provide a cup known as N.A.I.A. Fire Safety Award to go each year to the state association of insurance agents performing the best work in fire safety. This was announced at Hollywood, Fla., by John J. O'Toole of St. Louis, reporting for the N.A.I.A. fire safety committee at the mid-year meeting.

Phoenix of Hartford has assigned Donald W. Drogue to the Minnesota field. He attended Bates College and completed a home office training course.

Mutual Fire Engineers Select New Officers

Assn. of Mutual Fire Insurance Engineers elected E. B. Youngstrom, chief engineer of Mill Owners Mutual Fire, president at the annual meeting April 20-22 at Chicago, attended by more than 100 members. Moving to the head of the organization from 1st vice-president, Mr. Youngstrom succeeds Louis A. Schalk, Grain Dealers Mutual. Other officers elected are: George R. Hildreth, Liberty Mutual, who goes from 2nd vice-president to 1st vice-president; Kurt Weiss, Employers Mutual Fire, 2nd vice-president; G. W. Ponton, research engineer Hardware Dealers Mutual Fire, reelected secretary-treasurer, and Dale K. Auck, director of fire protection, Federation of Mutual Fire Ins. Companies, reelected technical secretary.

The engineers included in their schedule a one-day joint meeting on April 21 with underwriters of their respective companies, who are attending a fire underwriting conference sponsored by Mutual Insurance Advisory Assn.

Lloyds Policies Floor Justice Frankfurter

The U. S. Supreme Court gave a decision against London Lloyds and Edinburgh Assurance Co. et al in a marine war risk case that was brought by Calmar Steamship Corp. for loss of the Portmar, which was insured for \$860,000. This is a complicated marine case. The district court had held for the steamship company and the appeals court had held for Lloyds. One of the big questions involved was whether the journey that was insured against had terminated at the time of the loss.

Insurance people will be interested in the suffocation that was experienced by Justice Frankfurter, who wrote the opinion, when he was confronted by the policies, riders, endorsements, etc.

"Construing such conglomerate provisions," he said, "requires a skill, not unlike that called for in the decipherment of obscure palimpsest texts."

The policy, the opinion stated, "was assembled—that seems an appropriate word—by superimposing on the age-old Lloyds form, layer upon layer of warranties and riders; warranties free the underwriters from obligations imposed by riders and subsequent riders then reimpose obligations thus avoided."

North America Shifts Stetner, Ups Kevane

George S. Stetner, state agent in Kentucky for the past several years for North America, is now Wisconsin state agent at Milwaukee, where he served some years ago as a special agent. Frank G. Kevane, formerly with the company's field service at Des Moines, becomes Kentucky state agent.

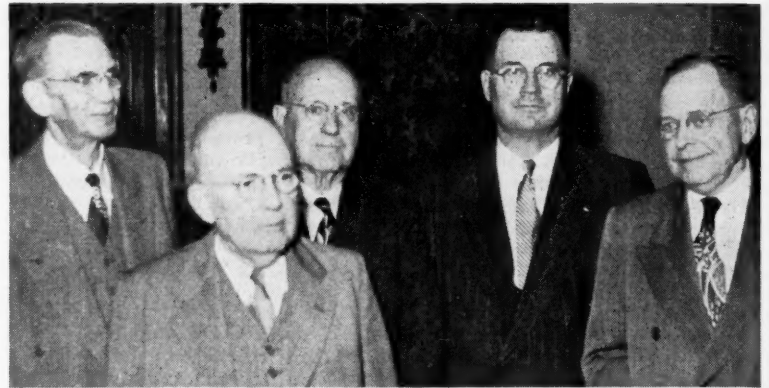
Mr. Stetner was first at Louisville in the field, was transferred to Nashville, subsequently returning to Louisville to succeed the late James E. Chittenden as Kentucky state agent. At the time of his transfer he was most loyal gander at Kentucky Blue Goose.

Donovan of American Auto to Be Local Agency VP

Hugh W. Donovan, Hartford branch manager of American-Associated, is resigning May 1 to enter local agency work as vice-president of B. E. Hardacre Co. at Jacksonville, Fla. The agency represents U.S.F.&G., St. Paul, F. & M., Boston and American-Associated.

Mr. Donovan has had 19 years of field experience in Columbus, Cincinnati, San Francisco, and since 1948 in Hartford. A C.P.C.U. since 1946, he is a charter member of three regional C.P.C.U. chapters and is a co-founder of the annual three-day C.P.C.U. institute at the University of Connecticut, as well as a director of National C.P.C.U. Society.

Missouri Field Veterans Are Feted



Three veteran field men who recently retired from active duties with their companies were honored at a testimonial dinner at Kansas City. This was arranged by two retired leaders in the state, they being Otto Ramseyer of North America and W. O. Woodsmall of Fire Association. Mr. Ramseyer was toastmaster. Those honored were George W. Fagan of Great American, William G. Curry of Phoenix of Hartford and Howard B. Henry of Great American. Those taking part in the program included Thomas B. McCaffrey of Home, Henry Teicher of Phoenix of Hartford, Herbert E. Johnson of Aetna Fire, Fred Stingle of America Fore, and Frank M. Pruett of Providence Washington, who presented each of the guests with a check.

Mr. Henry got into the business by adjusting losses for his father who was with Fidelity-Phenix. He later joined Great American and was with that company 30 years.

Mr. Fagan worked in a bank agency at Park Rapids, Ia., and then went to Bloomington, Ill., as special agent for the farm department of Great American before going to Kansas City. Mr. Curry is a member of Native Sons of K. C. He had been with Phoenix 32 years. At one time he had an interest in a local agency in Montana. In his earlier days he saw field service in Minnesota and Nebraska.

In the picture are shown: Henry, Fagan, Woodsmall, Ramseyer, and Curry.

Retrospective Rating in Tex. Given Clear Field

Overruling a trial court decision, Dallas appellate court has found that the workmen's compensation rating plan on a retrospective basis is valid in its main aspects. The case will now be re-tried. Complainant was Oil Well Drilling Co., which refused to pay a retrospective assessment of \$7,609 for the year beginning July 1, 1947 on the ground that the retrospective plan was illegal and unconstitutional. According to the argument, there is no statutory authority to set an insurance rate after the losses are developed. They claimed that under this order the insurers had arbitrary power to compel one employer to accept retrospective rating while excusing another.

The progress of this legislation now will apparently have little overall significance for Gov. Shivers of Texas has just signed a bill authorizing the insurance department to make, approve or promulgate rating plans to apply prospectively or retrospectively. Such legislation had been defeated in previous sessions but only six senators voted against it on final passage this time. The lone opponent was Ben Mitchell of Texas Employers Ins. Assn. who said this would not reduce accidents.

Wis. College Group of 50 on Chicago Insurance Tour

About 50 students that are members of Insurance Society of University of Wisconsin are making a field trip to Chicago, Friday, in charge of C. C. Center, head of the insurance department at the University and four instructors. They will be in tow of W. G. Dithmer, public relations man for Western Underwriters Assn. and they will gather in the W. U. A. auditorium on the 21st floor of the Insurance Exchange building for an introductory talk by Mr. Dithmer and a talk on fire

insurance rating by Elmer F. Reske, manager of Cook County Inspection Bureau. Then there will be a tour of Underwriters Laboratories and a luncheon nearby. In the afternoon the group will sub-divide and be welcomed in the western department of Aetna Fire, America Fore, Fireman's Fund, Firemen's, Great American, Hartford, National and Springfield.

Gibson New Special Agent

American Insurance Group has appointed Preston E. Gibson, Jr., special agent for north Georgia with headquarters at Atlanta to assist Manager C. R. Macgill.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.,
135 So. LaSalle St., Chicago
April 7, 1953

	Div.	Bid	Asked
Aetna Casualty	3.00*	114	117
Aetna Fire	2.40	55	56½
Aetna Life	2.50*	73	75
American Alliance	1.60	34½	36
American Equitable	1.50	30½	32
American Auto	2.00	45	47
American (N. J.)	1.10	23½	24½
American Motorists .....	.40	13	14
American Surety	3.00	59	61
Boston	1.40	33	34½
Camden Fire	1.10*	22½	23½
Continental Casualty	2.50*	81½	83½
Crum & Forster Com.	1.60	49	51
Fire Association	3.00	67	69
Fireman's Fund	1.60	53	55
Firemen's (N. J.) .....	.90	27	28
General Reinsurance	1.60	37	38½
Glens Falls	2.00	58	60
Globe & Republic .....	.80	16½	17½
Great American	1.60	37	38½
Hartford Fire	3.00	150	153
Hanover Fire	1.80	39	41
Home	2.00	38½	40
Ins. Co. of No. America	2.25*	81	83
Maryland Casualty	1.20	25½	27
Mass. Bonding .....	.22	22	23½
National Casualty	1.50*	28	Bid
National Fire	2.60	64	66
National Union	2.00	40	42
New Amsterdam Cas.	1.50	42	44
New Hampshire	2.00	42	43½
North River	1.20	27	28½
Ohio Casualty ....(New)...	1.55*	60	Bid
Phoenix, Con.	3.40	99	102
Prov. Wash.	1.50*	29	30½
St. Paul F. & M. ....	.85	30	32½
Security, Conn.	1.70	38	39½
Springfield F. & M.	2.00	47	49
Standard Accident	1.60	42	43½
Travelers	14.00*	750	756
U. S. F. & G.	2.00	59	61
U. S. Fire	1.50*	40	42

*Includes extras



There's A Better Way

Some mirrors give a better picture than others. It's the same in the insurance business when you see how an agency's standing is reflected in great measure by the companies it represents. Agents representing Northwestern know that its reputation for dependability, financial strength and stability always makes a good picture better. Contact our nearest department office . . . learn how you can profit, too!

AN AGENCY IS JUDGED BY THE COMPANY IT KEEPS



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Chicago Dallas Los Angeles New York Portland
Raleigh Salt Lake City San Francisco Vancouver, Canada

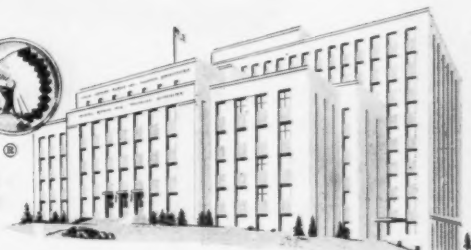
We Cut The Red Tape!



There's nothing bureaucratic about the folks at MUTUAL OF OMAHA. When a policyowner has a claim, he wants action, and he GETS ACTION! MUTUAL of OMAHA maintains 110 service offices, located at convenient points throughout the United States, Canada, Alaska, Hawaii and the Canal Zone . . . to facilitate direct, prompt, local service and payment of benefits. In 1952 MUTUAL of OMAHA sent out 643,967 benefit checks . . . over a million dollars a week! That's a total of more than 470 million dollars paid in benefits in its 43 years of operation. A fine company to buy insurance from . . . and a fine company to sell insurance for.

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*Serving the Public, Commerce and Industry
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WORKMEN'S COMPENSATION

GUARANTEE INSURANCE COMPANY
GUARANTEE INSURANCE

Western Division and Home Office: 1671 Wilshire Blvd., Los Angeles, California

Mid-West Division: 108 E. Washington Street, Indianapolis, Indiana

Southern Division: Mercantile Commerce Building, Dallas, Texas

FACING GRAND CIRCUS PARK

HOTEL TULLER

First thing to do in Detroit is check in at Hotel Tuller! You'll enjoy every minute. Newly modernized. Beautifully decorated. Within walking distance of all downtown stores, theatres and business activities . . . yet, you enjoy the ever-green atmosphere of Grand Circus Park . . . The Tuller Coffee Shop or Cafeteria for excellent food modestly priced.

COCKTAIL LOUNGE
ONE OF DETROIT'S FINEST

800 ROOMS \$3.50 up
WITH BATH FROM

Harry E. Paulsen,
General Manager

DETROIT



Don't Let This Happen to Your Clients!

Many a businessman has to have a fire to find out that complete insurance on the property isn't enough. Only then does he learn that he can't help losing thousands of dollars while he's wholly or partly shut down for repairs, rebuilding and replacement.

The big manufacturers, the big retailers all know about Business Interruption Insurance, and most carry it. But there are probably millions of businesses in this country, small and medium size, that have never even been told how they can insure their earnings.

It's simple enough to the businessman. To him it's clear that \$1,000 in earnings is as valuable as \$1,000 in equipment, furniture and fixtures, stock or merchandise. All he asks is that his insurance man fix him up so he'll get back as much as possible of what a disaster may cost him.

But all too often producers think that Business Interruption is complex and hard to sell. That's history. Today 95% of all commercial risks can be handled with one or the other of two simple forms. You usually need only

two or three figures from the prospect, none of them confidential or particularly revealing.

A NEW PLAN FOR SALES

Security-Connecticut agents are equipped with a step-by-step program for building a prospect list, "warming up" prospects before calling, and many simple and valuable ideas on what to say in selling. This plan is outlined in a new issue of our Agency Sales Bulletin. It includes two pre-call letters for prospects, and an attractive folder to send with them.

Perhaps you would like to see this modern program for selling Business Interruption Insurance — lately lamented as Use & Occupancy. If you would, simply complete the coupon. A copy of the Bulletin, with the two letters and the selling ideas, and the folder will be mailed to you — no cost or obligation.

SECURITY  **THE CONNECTICUT**
INSURANCE COMPANY OF NEW HAVEN INDEMNITY COMPANY
HOME OFFICES: NEW HAVEN, CONNECTICUT
Pacific Departments • 248 Battery Street • San Francisco 6, California



SECURITY-CONNECTICUT COMPANIES

Department 15D
New Haven, Connecticut

Please mail me samples of your Agency Sales Bulletin and folder on Business Interruption.
No cost or obligation.

Name.....
(please print)

Agency.....

Street.....

Town or City..... State.....